

BUSINESS WEEK

WHAT KIND OF BUSINESS
After Korea...?

PAGE 19



Paul Hoffman: From public spending for ECA to private spending for peace (page 30)

A WEEKLY PUBLICATION

OCT. 7, 1950

TWENTY-FIVE CENTS



A famous Studebaker foursome is this father-and-son team—expert machine operator Joe Andert senior and his sons Lou, Gene and Joe junior.

Joe Andert and his sons are four good reasons why a Studebaker buying wave sweeps the country

AMERICA has been "going Studebaker" at an all-time record rate all this year.

Sensationally low Studebaker delivered prices are in effect. More and more thousands of people are seizing the opportunity to become Studebaker owners.

But something more than price appeal is making the distinctive Studebaker one of the nation's most demanded automobiles.

Many people who have bought new Studebakers recently will tell you they did so because of the Studebaker working force.

That working force is unique in men who make lifetime careers of their jobs—true craftsmen—each of whom feels responsible for some of the wear-resisting soundness for which Studebaker cars are famous.

You may never meet any of these craftsmen face to face. But every

mile you drive a Studebaker you realize more and more that they're real friends—solid citizens whose pride it is to help cut the cost and step up the pleasure of your motoring.

STUDEBAKER
Builder of trustworthy
cars and trucks

Studebaker Corporation, South Bend 27, Indiana, U. S. A.

RESEARCH KEEPS

B.F. Goodrich

FIRST IN RUBBER



Photo courtesy Kaiser Aluminum & Chemical Corporation

Hot rocks ride on rubber

A typical example of B.F. Goodrich product improvement

HANDS OFF! Those are hot clinkers of chromite, an ore used in making bricks for furnaces. To get the ore ready to stand heat, they give it heat... up to 240° to dry it out. The clinkers—still so hot you could fry an egg on one—are dumped on the rubber belt that takes them to a storage bin.

The longest any belt had lived with these hot rocks was 90 days, usually only 60 days. Even during this short life, belts had to have "first aid" for burns, patches to keep burned spots from getting deeper and spreading. The ore has to keep moving—8 hours a day, 5 days a week. Not much time

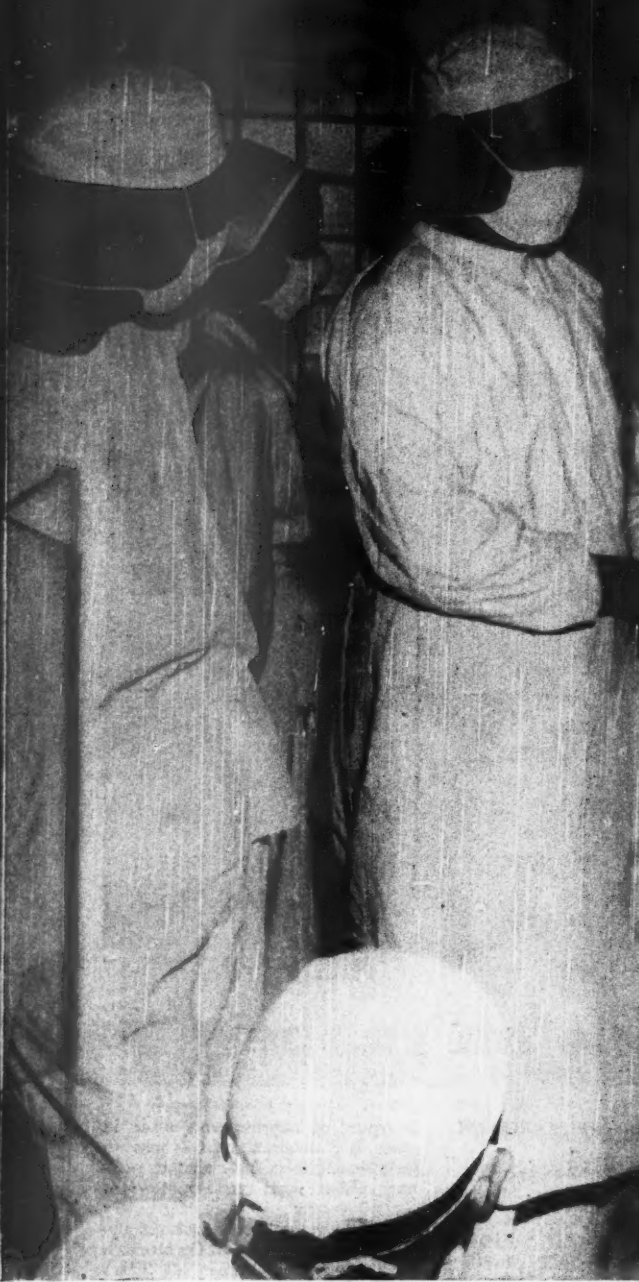
for repairs, and a new belt every two months is an expensive way to carry hot clinkers.

The B.F. Goodrich man was called in. BFG had developed a special heat-resisting rubber for belts to handle hot rocks, coke, sand, and other materials that would sizzle right through ordinary rubber. A B.F. Goodrich hot material belt to stand temperatures up to 300° was installed. It lasted 9 months, 3 times longer than any previous belt. The belt shown here is in its tenth month, a ripe old age for belts in this kind of service.

Making a belt to stand terrific heat

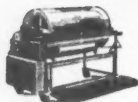
is typical of improvements made in other B.F. Goodrich belts—belts to carry materials that tear and cut ordinary rubber, stand crashing blows of dropping coal and rock, carry oily foods and grains, move packages uphill and downhill. BFG research constantly improves them all. That's why you can get more service from industrial rubber products by calling in your local BFG distributor. *The B.F. Goodrich Company, Industrial and General Products Division, Akron, O.*

B.F. Goodrich
RUBBER FOR INDUSTRY



It May Save Your Life!

A-C Products Contribute to Health and Good Living . . .



Many hospitals are using the mechanical kidney to save lives now. More kidneys are being built for hospitals in all parts of the country, making its benefits available to more and more people.

Research on cancer has been speeded by the 24-million-volt Allis-Chalmers Betatron—which reaches far inside the human body to bombard cancerous areas with nuclear radiations while doctors study effect.



Unfailing power supply for hospitals, homes and industry is supplied by Allis-Chalmers turbo-generators in utility central power stations all over the country. Dependability has made A-C products famous.

PROSPERITY AND POWER!

America's strength, prosperity and good living have been paced by rapidly expanding generation and utilization of electric power.

This is a *mechanical kidney*. In cases of acute uremic poisoning it takes over the work of human kidneys—cleanses the blood—allows the kidneys to rest and resume their normal function.

This life-saving mechanism was first devised and used in Holland. Last year, as a community service, Allis-Chalmers engineers turned their scientific and machine-building skill to perfecting a mechanically dependable machine of this type in the United States. Here is another example of private medicine and

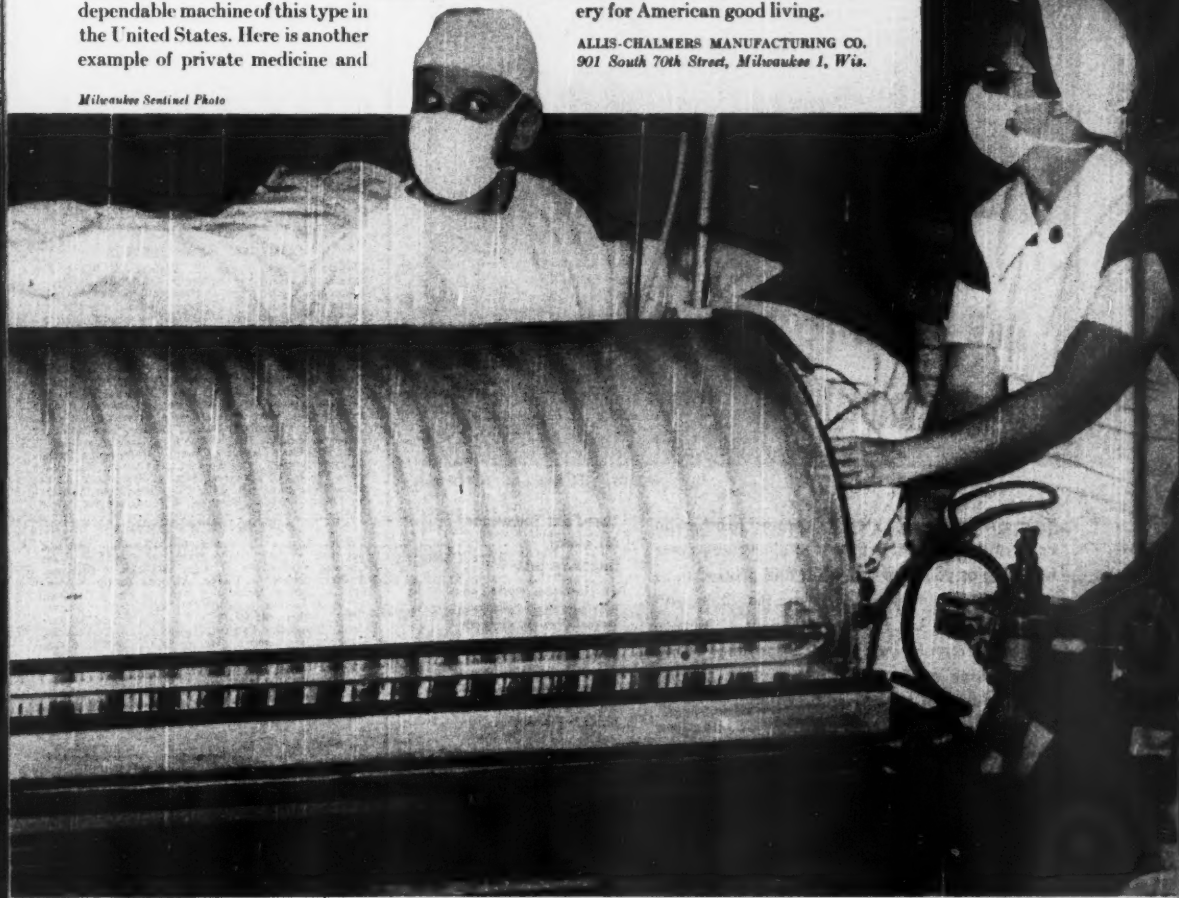
private industry teaming up for medical progress.

Does this seem odd work for one of the world's largest manufacturers of heavy machinery such as steam turbines and rock crushers? Not at all!

It is the job of Allis-Chalmers to investigate scientific problems in every industry and every walk of life . . . then to turn basic scientific discoveries into practical machinery for American good living.

ALLIS-CHALMERS MANUFACTURING CO.
901 South 70th Street, Milwaukee 1, Wis.

Milwaukee Sentinel Photo



ALLIS-CHALMERS



One of the Big 3 in Electric Power Equipment—
Biggest of All in Range of Industrial Products



Your quickest, surest step to lowered production costs and increased profits is to eliminate excess handling of your raw materials and products . . . to change man-handling to **Mass-Handling** with Towmotor Fork Lift Trucks and Tractors. Reduce the costly man-hours spent transporting, lifting and stacking products within your plant . . . and your production payroll costs drop as much as 60%. Warehouse costs nosedive, too, because Towmotor uses every available inch of overhead storage space. Find out how YOU can cut your production costs . . . write TODAY for a copy of "Handling Materials Illustrated." Towmotor Corporation, Div. 2, 1226 East 152nd St., Cleveland 10, Ohio. Representatives in all Principal Cities in U. S. and Canada.

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BUSINESS WEEK • Oct. 7, 1956



What in the **hole** is so fascinating?

Keller has made a new approach to the old problem of drilling holes.

As a result of that approach, Keller has developed a new, *different* hole-drilling tool—the AIRFEEDRILL.

It employs a new technique that enables workers to drill precision holes faster . . . reduce rejects due to outsize, ragged, or out-of-round holes.

The story of this new drilling principle is told in a new, free booklet, called "THE HOLE STORY." If your production manager or tool engineer is not familiar with the KELLER AIRFEEDRILL, it will be worth your while—and his—to suggest that he send for the booklet. There is no obligation, of course.



Air Tools engineered to industry

KELLER TOOL COMPANY, GRAND HAVEN, MICH.

AIR MOTORS • AIR HOISTS • AIR HAMMERS • COMPRESSION RIVETERS • GRINDERS • DRILLS • SCREW DRIVERS • NUT SETTERS

Husbands want their white shirts white!



WHITE cotton shirts are a family test of a laundry — and of the washing materials they use.

To make sure that delivery-bundles are consistently satisfactory, many leading laundries use washing compounds containing Wyandotte's Carbose® — the specialized detergent promoter.

A little Carbose, added to a synthetic detergent, results in an abundant increase in soil removal and whiteness retention. And Wyandotte has shown detergent manufacturers how supply costs can be decreased.

Naturally, laundries are jubilant — and so are the shirt wearers. Yet, the applications of Carbose are not limited to the field of detergency.

In the textile industry, Carbose helps to: Scour fibers, stabilize print-

ing pastes, prepare easily removable warp sizes, formulate finishing agents. In the paper industry, it improves grease resistance, increases surface strength and erasability. In the paint industry, it is used as a sealer for oil-base paints and a film-forming agent in emulsion and water-base paints.

Reports of dozens of other uses (experimental and commercial) are constantly being received. In range, they cover viscosity control, colloid stabilization, surface finishing, as well as detergency.

Write to our Technical Service Department for data on Carbose for use in improving the quality and cutting the costs of your products.

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® Reg. U. S. Pat. Off.

ORGANIC AND INORGANIC CHEMICALS

- Wyandotte Chemicals Corporation is one of the world's major producers of soda ash, caustic soda, bicarbonate of soda, chlorine, dry ice and calcium carbonate. Wyandotte produces glycols and related compounds, certain aromatic sulfonic acid derivatives and other organic intermediates. Wyandotte is also the world's largest manufacturer of specialized cleaning compounds for business and industry.



Highlights In This Issue

After Korea...

• A business slump? More inflation? Deflation? With the fighting drawing to a close, BW analyzes the prospects. Some are unexpected. P. 19

Smart Money

• It's looking for a haven from inflation and taxes. Some of the places men with brains and money are putting their money. P. 24

TV's Best Buy

• A lot of ad men say it's wrestling. You can hardly call it a sport, but there's a strange fascination to the grunt and groan trade. P. 25

It Takes Money...

• just to start making guns. Washington is working out a lot of different plans to furnish working capital for munitions contractors. P. 106

Experience Is Not Enough

• You may think you know all about munitions making from the jobs you did in the war. But it's all different now—as Cadillac found. P. 66

Looking for Steel

• A lot of people are finding it in Europe. What it costs; where it comes from. P. 133

Dollar vs. the Government

• That's the lineup in the last-ditch battle over ownership of the \$60-million United States Lines. P. 42

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From Medication to "Lubri-tection"

"... Step right up for Injun Rock Oil ..."

"... Good for what ails man or mule ..."

So barked the medicine men. Then along came the automobile with oil as its lifeblood.

After years of automotive lubrication, our experts tell us oil has many jobs. It should lubricate, clean, disperse carbon, protect against corrosion—over a wide temperature range—under severe conditions.

Since we're oil men, and proud of it, you might guess our No. 1 baby meets those specifications. Yes, our Phillips Premium Motor Oil brings you "Lubri-tection." That's lubrication plus engine protection against corrosion. Write us, for more information on all our good oils—automotive, aviation and industrial. K. S. Adams, President, Phillips Petroleum Company, Bartlesville, Oklahoma.



PHILLIPS PETROLEUM COMPANY
Bartlesville, Oklahoma

WE PUT THE POWER OF PETROLEUM AT YOUR SERVICE



INDUSTRIAL EYE ACCIDENT COSTS UP 78½% SINCE 1939

Profits Go Up...

Operating Costs Go Down...

**when you eliminate High Eye Accident Costs
from what you make and sell!**

High eye accident costs can affect your operations adversely two ways: (1) They represent an unnecessary cost that inflates your selling price and hence cuts your volume (2) They lower efficiency through increased unproductive time, idle machine charges, replacing key men with substitutes and by impaired worker morale. All this in addition to the direct costs for first aid and medical care.

Yet unlike other high costs that plague management today—these can

be cut. How? By establishing an AO Eye Protection Program which can pay for itself in less than six months' time. Your AO Safety Representative can prove with case histories that an AO Program *works* — that goggles costing about \$2.30 can save sums up to \$44,000 annually! Ask him to call.



FACTS TO REMEMBER — Eye accidents cost industry over \$5 per employed worker per year — over \$328 in compensation per injured man — are 98% preventable.

American Optical
SAFETY PRODUCTS DIVISION

Southbridge, Massachusetts • Branches in Principal Cities

BUSINESS OUTLOOK

BUSINESS WEEK

OCTOBER 7, 1950



Business analysts can make a fair case for a dip in activity.

Very largely, this is based on two major factors: (1) Controls will cut home building back sharply, and (2) consumer demand will ebb.

Both points have much substance. However, metalworking will continue to boom. It's hard to see much of a dip with heavy industry roaring.

Today's demands on heavy industry aren't artificial. That is, they don't just represent the wasteful demands of war.

Much of the equipment was ordered before Korea—to increase output of civilian goods. And even tools that are ordered for war production can, in most cases, be converted to civilian use.

Consumer demand is hard to analyze. People have bought a lot of things they don't need. Yet incomes will continue to rise, and spending will run high. What the money's spent on, however, may change.

"Overspending" during the July-August hoarding spree has mortgaged a good many incomes for months ahead.

That shows up clearly enough in consumer borrowings. Total consumer credit expanded by \$660-million in July, another \$614-million in August. These were the largest monthly gains on record.

That carried total consumer credit to a new peak near \$21-billion.

Installment loans (representing consumers' rush for big-tag items like autos and appliances) rose more than \$900-million in the two months.

Charge account credit (representing the rush for soft goods) gained more than \$250-million.

Military successes in Korea should put an end to the fright buying, at least for a while. But retail prices still are rising broadly.

That encourages consumers to buy now rather than wait.

Anyhow, physical volume hardly will be lower than last year, and that is bound to mean a good gain in dollars. That's because prices are up 10%.

Value of all new construction put in place during September set another new monthly record. The figure went above \$2.8-billion.

Home building rose again, contributing \$1.3-billion to the total.

The report (made jointly by the Bureau of Labor Statistics and the Dept. of Commerce) points out, however, that the housing gain is slowing.

Thus, though the figures set new records, a turn is coming.

The seasonal decline in building this year will draw more than usual attention.

Home building in 1950 very likely has been borrowing from 1951.

Many experienced builders will be among the first to admit that. They expect a dip next year (BW-Sep. 16'50, p19). But what they now see coming is much worse—worse, in fact, than they think is justified.

They insist restrictions on real estate credit and on mortgage money already are too severe—not to mention other curbs still to come.

Their hue and cry, in fact, fast approaches an organized campaign.

Residential construction won't decline much more than seasonally the

BUSINESS OUTLOOK (Continued)

BUSINESS WEEK
OCTOBER 7, 1950

rest of this year. Work on homes already started will take care of that. And builders may be too pessimistic on the outlook for next year.

Just the same, they say they see sure signs of a severe cut:

(1) Applications for FHA insurance have fallen way off.

(2) Operators aren't developing new properties for 1951.

(3) Some builders who have options on tracts they intended to develop for home building next year now are trying to dump them.

Suppliers of building materials are joining builders in decrying the restrictions on home building.

National Gypsum's president, Melvin Baker, declares that his company's order backlog may be cleared up by the end of this year. He sees a 30% drop in home building next year.

Manufacturers are shipping out finished goods so fast that they can't build inventories, much as they might want to.

This was true before Korea, and it has been since. Total stocks have been about level since May, a bit below \$32-billion. At the end of August, for example, the total of \$31½-billion was \$200-million below a year earlier—with industrial production running 20% higher.

Value of factory shipments has been rising all year. August set a new record at \$24.3-billion (after allowing for seasonal factors).

There's no sign yet that manufacturers are glutting their market.

New orders continue to run ahead of shipments. The Dept. of Commerce reports that orders booked in August totaled \$27.8-billion. That's about \$3½-billion more than the value of goods shipped.

Of course, the consumer buying rush this summer may have turned dealers' heads; they may be asking manufacturers for more than they need.

Food prospects for next year, so far as they can be judged this far in advance, are excellent.

Moisture conditions this fall have been nearly perfect over most of the country. This is particularly true in the main winter wheat belt. Seeding has been done under nearly ideal conditions.

Fewer crop controls are likely in the years immediately ahead. Food and fiber supplies will be built against any emergency.

That partly accounts for this week's announcement that there will be no acreage or marketing controls on cotton next year. In fact, the goal is to boost production close to 1949's 16-million-odd bales.

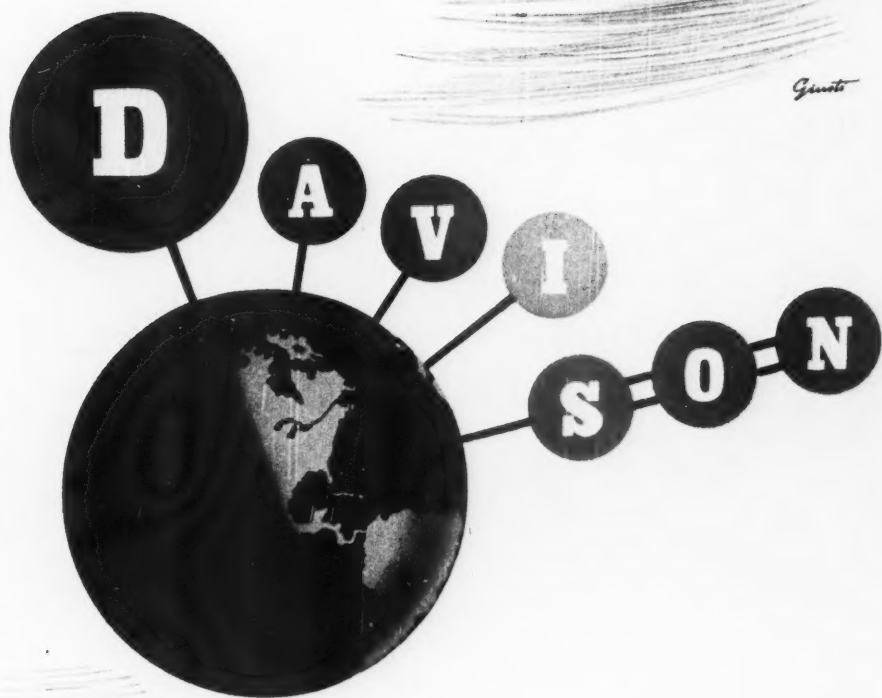
This year's crop is under 10-million bales. Even with more than 6-million bales of old-crop cotton left over, that looks skimpy.

Shortages bob up in the strangest places in times like these.

When the synthetic rubber program was stepped up, pinching raw material supplies for the styrene plastics, the plastic trade began to say:

"Well, that sure looks like a break for the cellulose people."

But it isn't working out that way. The short cotton crop slashes the supply of linters, and wood pulp already was hard to get. So one producer, Hercules Powder, is cutting all customers by 20% on cellulose.



Givato

An Internationally Respected Chemical Symbol

Today, American Chemistry is a world force. On every continent the name "Davison" is recognized as having helped bring this reliance on our American business methods and technical "know-how." And, as our own business expands, we are able to broaden our service and to create new products for industries as seemingly unrelated as medicine, paint, refining, refrigeration. The book of our knowledge is open freely to customers. Their confidences are held inviolate.

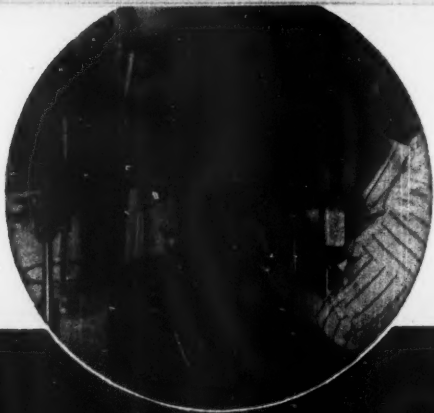
PROGRESS THROUGH CHEMISTRY **D**

THE DAVISON CHEMICAL CORPORATION
Baltimore 3, Maryland

AMERICA BUYS - TO SELL

India swaps shellac for U. S. chemicals

BELLOW: Indian women sieving bark, thorns, dirt, and other foreign matter from dried seed-lac. The cleaned seed-lac is shipped as such, or melted into orange shellac. **AT RIGHT:** A chemist in an American laboratory takes a sample of an organic pigment color for analysis.



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Write for color illustrated booklet describing "Overseas Banking Service"

THE ECONOMIES of the United States and India complement each other to an unusual degree. India is one of our principal sources of important industrial raw materials. We buy from India most of our lac and shellac, most of our burlap, cashew nuts, and pepper. And we rely greatly on India for mica, tea, manganese, ilmenite, special gums and tanning materials.

On the other hand, India is eager to modernize her agriculture, to develop her natural resources, and to expand and re-equip her industries. The second most populous country in the world, she needs, and will need even more in the future, our machinery, electrical and farm equipment, chemicals, dyestuffs, and pharmaceuticals. In 1949, India and the United States exchanged almost \$500 million worth of goods.

With fully staffed branches in Bombay and Calcutta, The National City Bank of New York can offer valuable assistance to trade with India. For information, write or call Overseas Division at Head Office.



William L. Bulkeley, Manager of our Bombay Branch, is a veteran of 22 years in Far Eastern Branches.



Frank DeC. Mathews, Manager of Calcutta Branch, also has 22 years' experience in Far Eastern Branches.

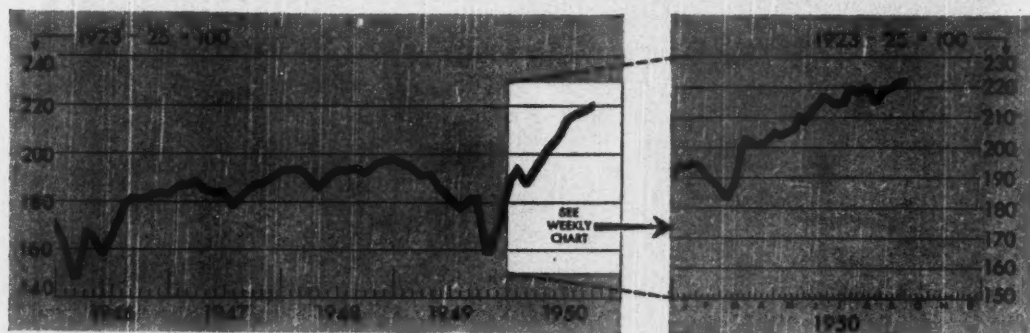
NCB Travelers Checks protect travel funds. Buy them at your bank.

THE NATIONAL CITY BANK OF NEW YORK

Head Office: 55 Wall Street • 67 Branches in Greater New York

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FIGURES OF THE WEEK



Business Week Index (above)

\$ Latest Week	Preceding Week	Month Ago	Year Ago	1941 Average
*223.5	†222.7	220.1	178.8	162.2

PRODUCTION

Steel ingot operations (% of capacity).....	101.2	100.7	98.0	8.2	97.3
Production of automobiles and trucks.....	185,529	†188,451	188,264	151,593	98,236
Engineering const. awards (Eng. News-Rec. 4-week daily av. in thousands)....	\$41,309	\$41,719	\$45,977	\$27,541	\$19,433
Electric power output (million kilowatt-hours).....	6,503	6,457	6,459	5,521	3,130
Crude oil and condensate (daily average, 1,000 bbls.).....	5,903	5,894	5,760	4,950	3,842
Bituminous coal (daily average, 1,000 tons).....	1,901	†1,879	1,830	331	1,685

TRADE

Miscellaneous and l.c.l. carloadings (daily average, 1,000 cars).....	82	83	80	75	86
All other carloadings (daily average, 1,000 cars).....	63	62	60	35	52
Money in circulation (millions).....	\$27,060	\$27,081	\$27,042	\$27,348	\$9,613
Department store sales (change from same week of preceding year).....	+10%	+17%	+14%	-8%	+17%
Business failures (Dun & Bradstreet, number).....	148	155	143	181	228

PRICES (Average for the week)

Cost of Living (U. S. Bureau of Labor Statistics, 1935-1939 = 100).... Aug. 173.0	172.5	168.8	105.2
Spot commodity index (Moody's, Dec. 31, 1931 = 100).....	462.9	471.8	470.0	342.7	198.1
Industrial raw materials (U. S. Bureau of Labor Statistics, Aug., 1939 = 100)....	310.1	†312.5	297.4	226.8	138.5
Domestic farm products (U. S. Bureau of Labor Statistics, Aug., 1939 = 100)....	346.5	351.9	360.8	297.1	146.6
Finished steel composite (Iron Age, lb.).....	3.837¢	3.837¢	3.837¢	3.705¢	2.396¢
Scrap steel composite (Iron Age, ton).....	\$40.67	\$40.67	\$40.58	\$26.92	\$19.48
Copper (electrolytic, Connecticut Valley, lb.).....	23.925¢	23.010¢	23.788¢	17.625¢	12.022¢
Wheat (No. 2, hard winter, Kansas City, bu.).....	\$2.20	\$2.21	\$2.21	\$2.16	\$0.99
Sugar (raw, delivered New York, lb.).....	6.25¢	6.25¢	6.25¢	6.05¢	3.38¢
Cotton (middling, ten designated markets, lb.).....	40.46¢	40.98¢	39.79¢	29.58¢	13.94¢
Wool tops (Boston, lb.).....	\$3.10	\$3.10	\$3.00	\$2.00	\$1.41
Rubber (ribbed smoked sheets, New York, lb.).....	53.00¢	60.00¢	51.50¢	16.49¢	22.16¢

FINANCE

90 stocks, price index (Standard & Poor's Corp.).....	156.0	153.7	147.3	124.2	78.0
Medium grade corporate bond yield (Baa issues, Moody's).....	3.22%	3.22%	3.21%	3.36%	4.33%
High grade corporate bond yield (Aaa issues, Moody's).....	2.66%	2.66%	2.61%	2.61%	2.77%
Call loans renewal rate, N. Y. Stock Exchange (daily average).....	1½-1½%	1½-1½%	1½-1½%	1½-1½%	1.00%
Prime commercial paper, 4-to-6 months, N. Y. City (prevailing rate).....	1½-1½%	1½-1½%	1½-1½%	1½%	1½%

BANKING (Millions of dollars)

Demand deposits adjusted, reporting member banks.....	49,238	†49,030	48,995	46,457	†127,777
Total loans and investments, reporting member banks.....	68,779	†69,534	68,583	66,062	†132,309
Commercial and agricultural loans, reporting member banks.....	15,725	15,517	14,739	13,384	†16,963
Securities loans, reporting member banks.....	2,115	2,095	2,170	2,306	†1,038
U. S. gov't and gov't guaranteed obligations held, reporting member banks....	33,845	†34,869	35,082	37,004	†15,999
Other securities held, reporting member banks.....	6,420	†6,383	6,235	5,060	†14,303
Excess reserves, all member banks.....	860	390	540	877	5,290
Total federal reserve credit outstanding.....	20,075	19,169	18,979	18,397	2,265

*Preliminary, week ended Sept. 30.

††Estimate (BW—Jul.12'47,p16).

‡Revised.

§Data for "Latest Week" on each series on request.



"IS THIS MY LAST FLIGHT, DOC?"

"You get to thinking in a hospital bed. And ever since the control button on my mining car jammed and I crashed into the wall, I wondered what was going to happen to me. Sure, my leg was busted, but I knew I was ripped up inside, too. So, I got to worrying.

"Then one day my wife came in, acting kind of nervous, and tells me they want to fly me 500 miles to Dallas. 'They've got better equipment there and specialists to take care of you,' she says. Well, right then I knew I was hurt even worse than I'd imagined.

"They flew me to Dallas, all right — and you'd have thought I was the King of Siam . . . they chartered a plane just for me . . . flew a special nurse and doctor all the way from Dallas to look out for me on the trip . . . and fitted out the plane like a hospital room. There was even a place for my wife to sit beside me all the way.

"Maybe you know how my story is coming out. It couldn't be better. You see, I thought I was going to die. But those Dallas doctors and nurses sure knew just what to do. Give me three more months and I'll be back on the job — living proof that it pays to have good doctors and nurses, and a good boss and a good insurance company, all in my corner."

Liberty Mutual works to provide the best possible medical services for injured employees of policyholders, wherever located. This benefits the workers by helping them to get well more quickly and by restoring them to earning power at the earliest date consistent with good rehabilitation. It also benefits employers by reducing their insurance costs and increasing production. Liberty Mutual sets the pace in providing business insurance that better serves workers and employers alike.

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LIBERTY MUTUAL FIRE INSURANCE COMPANY

★ *We work to keep you safe* . . . by providing protection for business, home and car owners . . . by removing the causes of home, highway and work accidents . . . by relieving the pain and financial burden of accidents by prompt and friendly handling of claims. ★

WASHINGTON OUTLOOK

WASHINGTON
BUREAU
OCT. 7, 1950



Short-term mobilization prospects aren't changed. No matter what happens in Korea, there will be no quick spending cut, no tax relief, and no shelving of economic controls. Momentum given by Korea seems sure to carry for many months (page 19).

The uncertainty is over the long pull—over policy a year or two hence. The official line—"there can be no easing up"—is being played hard. Not mentioned are the underlying doubts on whether it will work out that way. But the doubts are strong and shouldn't be overlooked.

The answer is largely up to Russia. If she stirs up fresh troubles, then mobilization will keep a full head of steam. If she is peaceable, you can count on a gradual easing within a year or so. "Austerity" is not popular in "peace," and 1952 is a presidential election year.

Meantime, an end to fighting in Korea will make no big difference. It may even advance controls a bit—"to get started before things cool off."

•
Truman is being urged to come down harder on the inflation brakes.

Many of his advisers are turning sour on the "take-it-easy" policy. They are about convinced that the Truman strategy of gentle controls now, backed by threats of tough controls later, serves to feed inflation. So, they are pushing for a switch—an early crackdown.

The instalment credit curb, Regulation W, is a good example of a control that isn't working out as the planners planned. Intention now is to toughen it up within a matter of weeks. Here's the background:

Credit terms ordered by the Reserve Board last month are about the same as most retailers had been demanding anyway. But they were issued with a clear threat that they would be made stiffer later, if necessary.

This has turned into a sales argument. Customers are afraid that delay in buying may mean bigger down payments and shorter instalment periods. Result: A control which was supposed to check buying is turning out to be a stimulant—backfiring.

•
Threats of price-wage control work out much the same way. Truman is committed to use the controls, when necessary, and is creating an agency to handle them—the Economic Stabilization Agency, a sort of OPA.

Labor and management are mindful of the threat and know that a "freeze" would subject future boosts in wages and prices to a government O.K. This encourages wages and prices to spiral—to beat the gun.

So there's growing pressure on Truman to step in, not with a general freeze, but with selective ceilings on a limited list of prices.

•
Price control without a wage freeze is possible under the control law. It couldn't be worked for long, as a practical matter, for rising wages soon would ram price ceilings loose. But Truman can get by the elections without wage controls if he wants to slap on some price controls quickly.

Here's what the law says: Whenever Truman orders "ceilings" on prices, he shall "stabilize" wages in the price-controlled industry or business. In "stabilizing" wages, he shall prohibit raises that push prices up.

The out on wages is this: Truman can issue a finding that a particular

WASHINGTON OUTLOOK (Continued)

**WASHINGTON
BUREAU
OCT. 7, 1950**

wage increase need not raise the price of the controlled item—perhaps on the ground that the item is only one of many made by the industry involved, perhaps on the ground that profits are large enough to absorb a pay boost.

There's no certainty Truman will use this, but it's getting official attention. Wage absorption is a favorite Administration theory.

•

The tipoff on a tougher anti-inflation policy won't be long coming. You may get it in the home-mortgage controls, to be issued shortly.

The clue will be in cash down required on homes started after Aug. 3. Issue is whether to make a small increase in requirements now, and threaten more for later, or to start with a sharp rise in down payments. Right now, odds favor the sharp rise.

If it works out that way, it will foreshadow further tightening of instalment credit and an earlier-than-planned start on price control.

•

Policing mobilization is about to get under way in Congress. The job is in the hands of Sen. Johnson's watchdog committee; this is today's counterpart of the old Truman investigating committee.

First hearings will be on manpower, both military and industrial needs. Aims are to prevent indiscriminate draft of skilled labor and scientists, and to determine whether Congress must vote manpower controls.

Later hearings will shift to steel capacity and weapons development.

•

No priorities for civilian production are likely in the near future. NPA's first priority order, out this week (page 21), limits preferences on materials to arms production. However, NPA will see to it that steel is available for such essentials as freight cars, ore carriers, and oil field equipment. The steel industry will be asked to give them favored treatment.

Union bosses are dissatisfied with their defense role and complain that the control agencies are cold-shouldering their offers of help.

What the unions want goes beyond a say in policy. They have that now, as consultants to Symington's NSRB. They want their own men in administrative jobs, telling industry what to do. Control agencies (NPA, Agriculture, and Interior) fear this might make trouble, will be slow to take labor men unless Truman orders them.

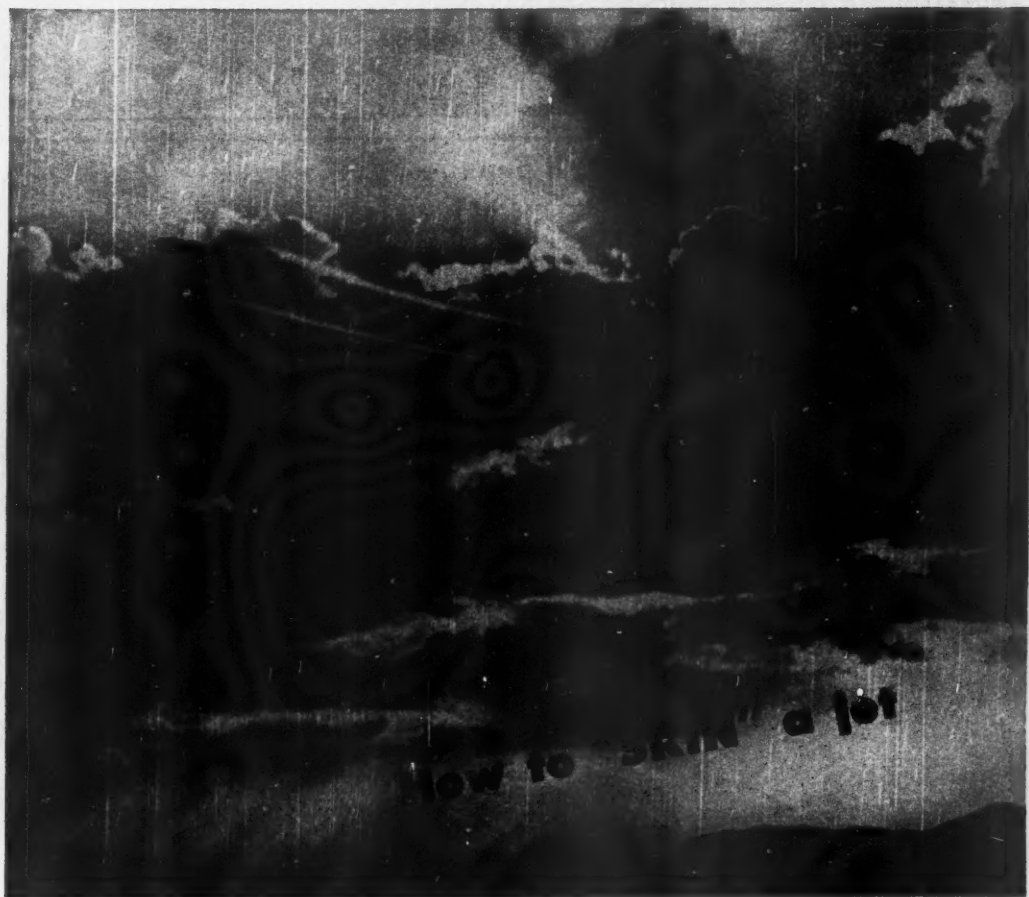
•

Labor disputes in defense plants: In World War II, the armed forces had their own staff of conciliators to handle disputes that threatened arms production. This time, the job will be handled by the regular Conciliation Service, under Cy Ching, with the military supplying lists of key contractors. Ching wants his staff boosted 25% for the job.

•

Industrial expansion: Note the plans of the steel industry to boost annual capacity 9-million tons by the end of 1952 (page 21). That's a big jump, nearly 50% above the pre-Korea expansion schedule.

Steel is a bellwether, and Washington regards its decision as the forerunner of a round of industrial expansion, based on prospects that military and civilian demands will be hard to satisfy for years.



The "skin" of America's fast, new jet planes is made of tough, lightweight aluminum.

To produce aluminum for aircraft and other strategic defense uses, coal is needed in vast quantities. In fact, in many cases, more than a ton of coal is used to make a ton of aluminum!

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CAPTURED BATTLE FLAG marks end of first phase—at least—in Korea.

AFTER KOREA

The Pressure Won't Let Up

This week's question for businessmen: What happens if fighting suddenly stops? Likeliest answer: More inflation. We'll keep spending but may not tax.

For three months, businessmen have been told to plan on the assumption that the Korean war would last well into 1951. Now the prospects have changed: The fighting—at least large-scale fighting—may end in a few days.

Of course, the Korean situation could turn into a full-dress war with Red China, or even with Russia. Or it might degenerate into a long and costly campaign against guerrillas (page 131). But this week the possibility of an abrupt peace is real enough to call for another look at business prospects for the rest of 1950 and 1951.

• **Inflation**—At first glance, you might expect peace in Korea to relax some of

the pressures on the U.S. economy, perhaps even to start a mild deflation. A good many businessmen are worrying about that.

Actually, it wouldn't work that way. A sudden end of the Korean campaign would be more inflationary than deflationary.

• **Military spending** for the next nine months is already scheduled (BW—Sep. 30 '50, p19). Congress has provided the money, and the only direction in which they can change is upward.

• **Plans for inflation control** are something else again. The end of actual fighting would take the spine out of them, make them politically excruciat-

ing. The Administration might go ahead with price and wage controls of a sort (page 15). But Congress would surely drag its feet on taxes. The "really tough" tax bill scheduled for early 1951 might never pass.

• **The wartime psychology** of businessmen and consumers would evaporate. But this would cut both ways: It might check the rush to stock up on scarce materials, but it would stiffen public resistance to price and wage controls.

Strike a balance of all these items, and you come out with an inescapable conclusion: Sudden peace in Korea wouldn't reverse the inflationary forces that have been developing for the past three months. If anything, it would lengthen the odds on the side of inflation—just as much government spending to generate it, less will to resist it.

• **We'll Spend**—The key to the whole situation from here on will be military spending. And in setting up their schedules, the planners in the Pentagon have never regarded Korea as anything more than a curtain-raiser. The arms they are ordering, the men they are drafting were never meant to supply MacArthur. They are supposed to put the country in shape to handle similar Communist thrusts anywhere in the world.

Before the Inchon landings, the generals expected to ask Congress for more money right after election, another bite early next year. This would get military spending up to about a \$30-billion-a-year rate by 1951. That plan still holds, and—Korea or no—Congress will jam the money through.

Beyond that, there's a question. Best bet until now has been that further appropriations next year would shove 1951-52 spending up toward \$50-billion. If there's no fighting to spur them, Congressmen may balk at this. But that decision will have no effect on business—either in government spending or government contracts—until late next year.

In deciding between a \$30-billion-a-year program and a \$50-billion-a-year one, Congress will have to face up to a long list of military commitments this country has already made:

• **Western Europe** is due for some \$5.5-billion in arms aid. Greece, Turkey, Iran, and Southeast Asia will get another \$1-billion.

• **We have promised** to put five more divisions into Germany by mid-1951. This commitment alone would

be enough to offset the release of forces from the Korean campaign.

- We are underwriting the internal security of the Philippines.

- We are pledged to check new Communist aggression anywhere in the world—in Indo-China, say, or Iran.

With obligations like these, our present armament program obviously represents a minimum rather than a maximum.

- **Men?**—In one respect a sudden end to the Korean war might make a real difference in our military programs. It will be a long time before Congress will even think about refusing any requests for money that President Truman makes. But if the fighting is over, it might balk at supplying the men the military wants. Congress' willpower will be tested early next year.

- **The father draft**—If the military is to get its 3-million-man armed force, either nonveteran fathers or World War II veterans will have to be mustered.

- **Universal Military Training**—The Administration plans to make this a top priority measure next year. Congress was in a mood to vote it last August. But Truman and the military decided to postpone the vote because the UMT program would take too many regular soldiers to train and keep house for the youngsters.

- **But Will We Tax?**—The 1951 tax bill will be another occasion for anguished soul-searching on Capitol Hill. Some sort of excess-profits tax on corporations—retroactive to June 30—still looks like a sure bet. But the \$10-billion in additional revenue that Truman wants to raise from corporations and individuals with incomes under \$5,000 will strain congressional fortitude to the breaking point.

- **Price Controls Hurt**—The same sort of indecision might also pull the teeth of a price- and wage-control program. Truman already has power to freeze prices and wages. The question is: Will he use it?

Some top White House advisers think that peace in Korea would call for quick adoption of a broad system of price controls (page 15). They reason that the Administration would have to move fast, get everything done that it could, before the wartime psychology wore off.

There's a chance that Truman will buy this argument. But the odds are against anything more than price fixing on a limited list of key materials.

Controls on production and the flow of materials are something else again. They will be geared to the demands of military production (page 21). You can expect them to tighten up steadily as war orders bite deeper and deeper into civilian supplies. Peace in Korea won't make any difference.

Steel Formula: Ration and Add

Steel has doubled its pre-Korean expansion plans. That's an eventual answer to the threat of allocation—and the start of a wave of industrial expansion.

This week for the first time, you could see the dimensions of industry's No. 1 problem—how an economy that is already riding a boom can take on mobilization for defense. At the same time, you got the first clear indication of what the eventual answer will be.

- The government gave the tip-off on the size of the job: Washington planners have decided that military and essential civilian demands will bite so deeply that we will have to go to all-out allocation of steel sometime next year. That means for both military and civilian uses. Allocation of even scarcer materials, such as copper and aluminum, may come earlier.

- Industry itself offered the tipoff to the solution. The steel industry has promised an expansion program that will add 9.4-million tons of capacity by January, 1953.

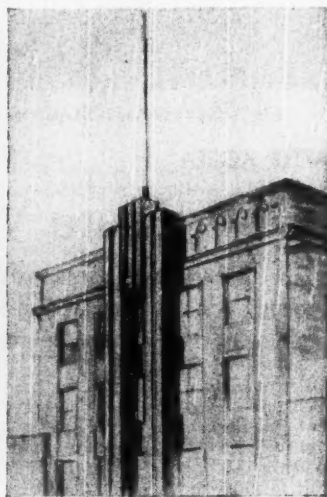
- **Steel Allocations**—National Production Authority's priority order (page 21) was the first step toward a system of materials controls. Right now the order

isn't too stringent; it boils down to this: You will have to do the military jobs first.

But Washington knows that when military consumption begins to pinch beyond a certain point, the controls will have to tighten up. That's when allocations will start.

NPA officials have nailed down that critical point. They figure that it will come when about 15% of steel output is needed for military and top-urgency civilian work. They expect us to reach that point sometime in the first half of next year. By then straight defense production will be taking about 10% of the steel. Railroad cars, ore carriers, pipelines, and other essential civilian users will be ticketed for another 5%.

- **The Answer**—For the long haul, the expansion program will count more than allocations for every businessman in the country. The prospect of more steel capacity raises the hope that someday things will get better. The extra 9-million tons, by itself, would take care of



Air Conditioning Inside—and Out

One of the biggest barriers to air conditioning an old office building is the problem of where to put the bulky equipment. Kahn & Jacobs, New York architects, have come up with an answer that has the incidental advantage of giving the face of the building a modernistic dress. To air condition New York's Herald Square Build-

ing (left), they are placing the chilled-water risers of the system within two stainless steel jackets that run up the outside of the building. This saves space inside. And the tall gleaming jackets seem to give an illusion of added height to the building, finishing off with a decorative treatment at the top (right).

about two thirds of all military and top civilian demands.

Steel's program is an answer to a federal prayer. Fair Deal planners have been needing basic industries to build additional plant capacity. Expand your production, they argue, and we can afford more guns and maybe more butter, too (BW—Sep. 23 '50, p19).

Washington planners have been bearing down especially hard on steel. Steel is the essential ingredient to just about everything else. Secretary of Commerce Sawyer put it bluntly to the industry executives on Sept. 11: How much capacity are you preparing to add to your plants from this time on?

• **Big Jump**—This is the answer Sawyer got this week:

By Jan. 1, 1953, the companies plan to raise their capacity to close to 110-million tons a year. That's an increase of about 9% over the July 1, 1950, capacity of nearly 100.6-million tons.

The expansion now proposed is nearly double the expansion plans announced by the industry just prior to Korea. An American Iron & Steel Institute survey then revealed firm plans for a capacity reaching nearly 106-million tons by 1953.

Actually, there's even more capacity than this in prospect—although it won't be producing by January, 1953. For one thing, U.S. Steel's proposed big new integrated East Coast mill will add 700,000-ton to 1-million-ton capacity, maybe more. And Henry Kaiser wants to add about that much to his Fontana (Calif.) plant.

• **For a Big Market**—Steel executives aren't ones to put up a lot of money just to make the government happy. What has spurred the new upsurge in expansion is the prospect of steadily growing military spending, plus the continuation of record consumer buying. In setting up their expansion plans, the steel companies are backing their judgment on the long-term demand for their products. Accelerated amortization of this new plant—a tax break—that the Defense Production Act provides is the only help they will get from the government.

• **More to Come**—That's why the move to expand won't stop with steel. You can bet your bottom dollar there is going to be a similar raising of sights all through the basic industries.

Already, aluminum producers are working out figures on possible expansion at the request of the Munitions Board.

The industry now produces about 1.4-billion lb. per year. There was talk at the Munitions Board and at National Security Resources Board of adding as much as 1-billion-lb. more.

All this means, long range, a further raising of sights—for manufacturers, retailers, and other distributors.

War Work Gets "DO-Numbers"

NPA's Regulation 2 sets up a single-band priority system for defense orders. Only military production will get ratings at present, but other controls are coming.

Government mobilizers gave businessmen a little relief for their defense production headaches this week. The pill that they prescribed—National Production Authority's new priorities regulation—looked like an underdose.

• **DO-Number**—You can't get much help from NPA Regulation 2 unless you are producing defense equipment or components. If you are, you can get a DO (defense order) number from the military or the Atomic Energy Commission. The DO-number entitles you and your subcontractors, if any, to get priority delivery of material to fill your defense contract.

More important, it gives you clear-cut authorization to schedule defense work ahead of orders from your regular customers. The Defense Production Act said defense work must come first. Now the priority regulation tags specific jobs, from raw material stages up, as top-preference production.

• **Blanket Priority**—A major beef of defense contractors has been that they could not convince their regular customers that some orders, especially for components, had to be given priority handling. Letters from military procurement officers weren't enough to convince hard-boiled customers.

Regulation 2 isn't much of a priorities order, judged by World War II standards. It simply gives blanket priority to certified defense production. Military and atomic energy purchasing officials will assign DO-numbers of equal status to every contract covered by the regulation. There'll be none of the successively superior 1-A, 1-AA and 1-AAA ratings of the last war—not yet, anyhow.

In general, production schedules set in defense contracts will determine the order in which individual contractors will work on DO-rated jobs. Where there are conflicts, the order first received will get precedence over other priority business.

• **Precise**—Regulation 2 is far more precise than Regulation 1, the fuzzy, half-hearted inventory control order that NPA put out two weeks earlier. The new order tells the businessman explicitly that he can:

(1) Extend a priority rating to component suppliers, to packaging, and where specified by defense contracts, to processing.

(2) Use a priority to replenish normal inventories drawn upon to fill defense orders.

(3) Reject a defense order if he already has all the defense work he can handle, if he cannot meet the required delivery date, or if it would impose undue hardships on his operations. In any case, NPA retains authority under the Defense Production Act to force any manufacturer to accept an order for munitions.

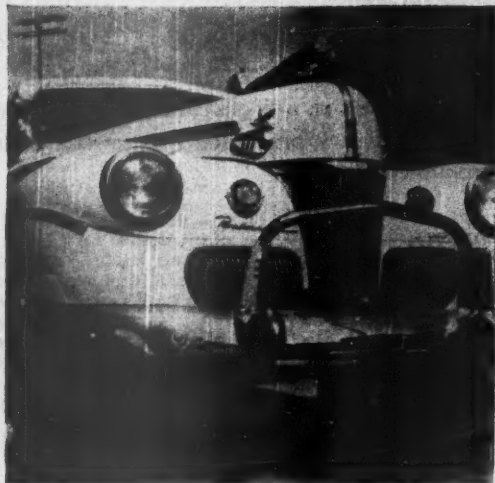
Just as specifically, the regulation denies priorities for capital expansion—including machine tools and construction. NPA strongly hinted, however, that individual priorities will be issued later for such items. The mobilizers want to exercise strict control of plant expansion, see to it that scarce tools and equipment go where they are most needed. They want to prevent sharp operators from grabbing defense orders, then claiming priorities for materials and tools to convert existing plants or to build new ones.

• **Limited Franchise**—NPA also warned that priorities could not be extended to fuels and power, food and farm equipment, and transportation services. Interior Dept., Agriculture Dept., and the Interstate Commerce Commission, respectively, have been ordered to control those industries. None of these agencies appeared ready to issue any general controls this week.

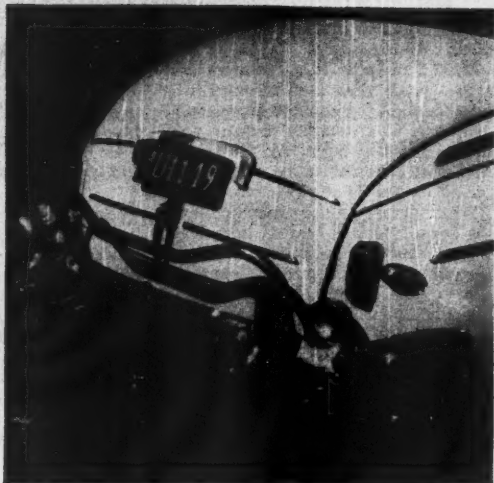
NPA may share its priority powers with several other agencies later, but it has restricted them to the armed forces and AEC for the time being. In addition to its own needs, the military can use priorities to speed production of arms to be sent abroad. It cannot hang DO-numbers on nonessential items such as desks, stationery, and mops, though.

Munitions Board will hold the checkreins on the military's use of priorities. It already has screened most of the contracts let since Korea. All that remains is for military procurement officers to notify prime contractors of their DO-numbers. They hope to do so before the requests for priorities begin rolling in.

• **Real Controls Coming**—NPA knows Regulation 2 doesn't go far enough. Together with other mobilization agencies, it already is planning to channel materials into essential civilian needs—transportation, for one. And mere priorities won't help in cases of extreme shortages—as in copper. Real controls for copper—allocations, limitation of use—will be needed within months. They'll be forthcoming, too.



SWANK: 1 '41 Ford has "Roadmaster" logotype above grillwork. Other gadgets: TV antennas, rocket radiator cap, mudguards, blue-tinted windshields.



2 The same convertible has backseat windshield, Cadillac hub caps, large bumpers, special parking lights, leopard-skin seat covers, three horns, multiple exhausts that sound like a huge truck.



MOTORCYCLE'S rear end is a blaze of light at night. Even license mount lights up.

How Cars Can Look Like

The gingerbread house in "Hansel and Gretel" is old-hat compared with the 1950 American car. From coast-to-coast, people are dressing up their cars with metal gingerbread. And there's no predicting the size or shape of the gadgets.

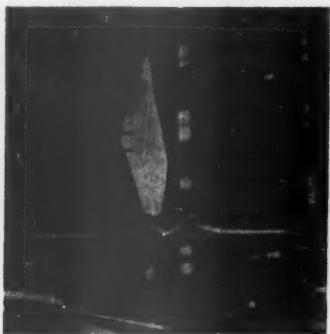
Since the early days of Henry Ford, car owners have gone in for fancy bumper guards, flying furs, and horns with a Parisian toot. But World War II cramped the customer's style.

After the war, materials for making gimmicks were plentiful. And cars weren't. Getting hold of a postwar car meant accepting an assortment of gadgets, such as Kleenex box holders and windshield cleaners. When the fad for hot-rod cars sprouted on the West

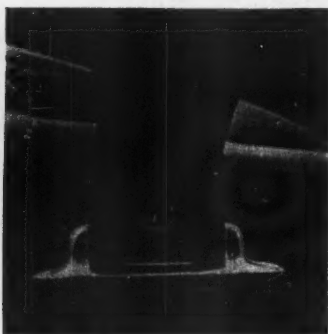
Coast and spread into the regular car market, owners began hunting for gadgets for standard cars. They figured devices for streamlining souped-up racers would give standard models a "new look." So the market zoomed.

The steady sellers are fairly practical. Devices for radios, such as TV antennas and jetlike antenna boosters, are popular. They're supposed to increase antenna surface and thus improve reception. Exhaust attachments, it is rumored, deflect fumes and keep backs of cars cleaner. And windshields for the back seat of convertibles give greater comfort and, when lowered, double as a snack table.

As for flashy gadgets, the sky's the limit. There are the ever-popular



SWANS that imitate Packard bird cost about \$10. This homemade one perches on hood of new Studebaker convertible.



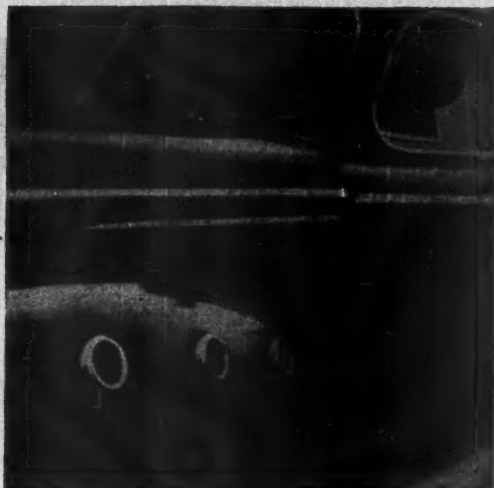
ANTIDRIP chrome strip is supposed to stop spilled gas from running down fender and prevent fender injury during filling.



LONG HORNS bellow in traffic like the ones on semitrailer trucks. Some have fancy pipe curls that look like a French horn.



3 Cadillac-type tail fins look ritzy on this new Pontiac. Like the '41 Ford convertible, it has extra-large bumpers on each side. \$90 Lincoln Continental tire kits for new Fords are classy.



4 Over 100 manufacturers sell Buick-type portholes—used here to update an old Buick. They're riveted: Once on, they're on for good. Owners of secondhand cars are big gadget customers.

Xmas Trees

swans, the Cadillac-type fins, the Lincoln Continental tire kit that fits on a Ford, the rocket-ship radiator cap, curb indicators, and a side mirror with a tiny weather thermometer on its stem.

Some manufacturers—Koch Mfg. Co., for instance—are strictly in the car accessory field. But the majority slip into the field to make a killing on some gadget that's related in design to their regular production. Though over-all figures are hard to come by, one sales outfit in Detroit says it buys from over 200 separate manufacturers. Most of the makers are in or around Detroit, Chicago, and Los Angeles.

Though the gadget market as a whole is fairly steady, sales on individual items soar unpredictably, then drop with a thud. A year ago, metal swans were tops; now the public likes swans with plastic wings that light up at night. Two months ago antennas were the craze, but a week ago sales fell fast. Newspaper ads help. Yet the best "ad" is having a gadget on a lot of cars so that people can see and admire it.

Strauss Stores Corp., with 135 stores from New Jersey to Vermont, says gadgets sell as well in medium-sized cities as in large ones. Ford owners are heavy customers, but that's because many gadgets are made strictly for Fords, which are more easily dressed up. Secondhand-car owners, too, like to doll up their automobiles.

One store manager gave a clue to the whole gadget market: "No businessman with a good car would buy that junk. It's the kiddies. They love toys."



GADGETS: Accessories come and go—unpredictably—but there are always enough customers for every new creation. Strauss Stores sell car gimmicks, like this TV antenna attachment, from New Jersey to Vermont.

Where Smart Money Is Going

Where men with enough money to make a difference are putting their cash to come out on top of inflation and taxes.

"When you talk of inflation hedges," a Charleston banker said last week, "I'm reminded of an old camp meeting song. Smart money, or dumb money, there's no hiding place down here."

No sure place, that is. But even in an inflating, tax-heavy economy some spots are more sheltered than others. And smart money is looking for them—in land, common stocks, underground assets, and small business.

By rights that should make for a general switching of investments. But it doesn't. The truth is that not all big money is smart money. Inertia and a chronic despair over taxes keep many men's portfolios stuffed with the same old paper.

• **Land**—Thus the mavericks have to make the break. And in Houston they're doing it with a run to land.

"This inflation," a local banker said last week, "has touched off the darndest land rush I've seen. The men I know who have cash lying around are buying their heads off in grass and trees."

One man who has the cash said he considered ranch or farm land about the only permanent investment these days. Another felt the atomic bomb made anything but out-of-city investments a poor risk. A third admitted he had bought a couple of ranches in Wyoming that he hadn't even seen. "But I know they're there and going to be there. You can't wash them away with an inflated dollar."

In Cleveland, it isn't ranches but farms. One man with a bank account well above \$1-million and more than 2,000 acres of farm land says he's going to keep on buying up cheap land. "I'll plant it to black walnut trees, and my children and grandchildren can pick the crop."

• **Syndicate**—Three very rich middle-aged Clevelanders have a syndicate that bought several thousand acres of almost worthless farm land in Florida. They are seeding it to slash pine and expect to get some production in about 15 years. Another man has pulled his money out of government bonds and is sinking it into semispeculative mining property in Mexico. He's also putting cash into farms. "I never realized what a bunch of tax slickers farmers are till one of them helped figure my farm income tax last February."

In New England, an industrialist with cash to carry said he wouldn't put a nickel into improved real estate, "but land, just land, is fine. Where else can a man like me get a good investment for

so little, with a tax break to boot?"

• **Common Stocks**—Bring men around to common stock, and you'll find some hunting with the hounds, some running with the hares. "Switch to common stocks?" a wealthy Cincinnati asked. "Well, what common stock? Listen, these war babies are going to get trimmed—and blue chips, too. Taxes make them no bargain now, and they'll be less of a bargain in another year."

In Providence, a trust official took the other side. "I don't think there's any holeproof hedge against inflation," he said. "But the best way I know to cover up is to buy common stock." A Milwaukee banker talking: "Sure I can see what growing inflation is going to do to my income. But you tell me how you can buck increasing taxes and come out with enough net to offset progressive cheapening of dollars. I want to know." Then, in the next breath, he said he was buying common stocks.

• **Inertia**—For some, the policy is no change. "I've reached the point," a Cleveland chairman of the board said, "where my future investments are no worry. I'm not going to disturb the ones I have." A life insurance executive sees no reason to change his portfolio from 75% government bonds and 25% common stock. "What difference does it make, anyway, where you put your money?" he asked.

• **Others**—Beyond land and stocks, the smart-money ventures scatter all over the economy. Men with enough money to make money talk of these:

• **Tax-exempts**. For the man in the top tax bracket, tax-free municipals are often worth more than stocks, despite their lower yields.

• **Natural resources**. A Detroit man speaking: "Fortunately, I don't have to worry about income from my investments right now. So I've gone into oil and timber. I just hope it won't be tapped or cut until after inflation subsides."

• **Investment trusts**. Despite what they have to pay for management, a few men swear by investment trusts. A Cleveland says: "Balanced open-end trusts, the portfolio including bonds, common, and preferred, have done all right for me up to now. I see no reason to switch to anything else."

• **Small business**. A man from Milwaukee: "I like the idea of new small companies. If they wash out you can write off 50% of 100% of the loss, depending on whether it is short term or long term. If they pan out, it's a long-

term investment with only a 25% tax rate."

• **Own business**. A Houston manufacturer says his money is going into capital investments—improving his plant and fixtures. "I like anything that has a tangible physical value," he said, "not tied up too much with a declining dollar." A man who inherited several millions is putting his money into own company. "And I'm going to insist," he says, "that it go on the biggest equipment-buying spree ever."

• **Foreign investments**. Milwaukee sophisticates are buying Canadian securities on the theory that Dominion taxes won't be as high as those of the U.S. Principal interest is in Canadian internal bonds and mining stocks.

• **No Sale**—On two items at least most investors are definitely sour—insurance and government bonds.

"It's a hell of a thing for me to say," a Pittsburgh banker remarked, "but one place I'm not putting my money is government bonds. I think it's the worst hedge against inflation."

A New Englander thinks insurance is. "These guys try to tell me that because of inflation I ought to buy more protection. Who do they think they're kidding? I'm disgusted with the purchasing-power prospect of the insurance I own. I'm certainly not going to throw in more money and let it be diluted, too."

Auto Shows Called Off As Frills Begin to Go

There's more than a touch of industrial austerity in the air. The frills are going out as the defense economy moves in.

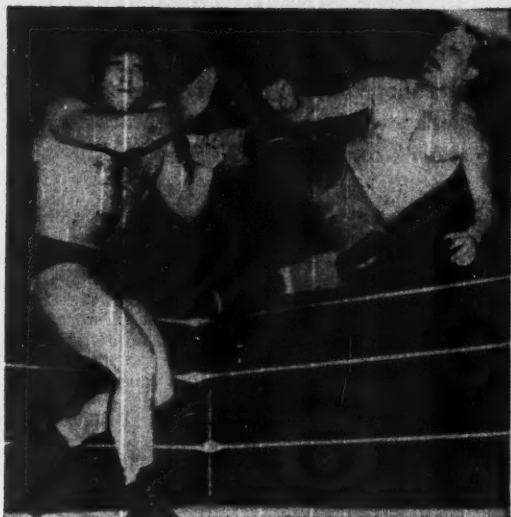
• **Two Cancellations**—This week produced two examples:

(1) General Motors has canceled its gala auto show, scheduled for New York's Waldorf-Astoria in January.

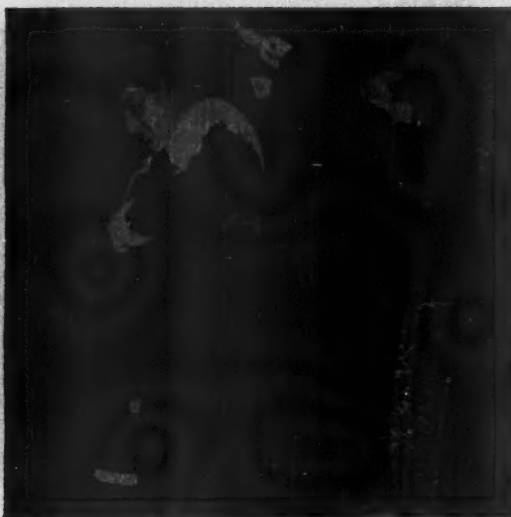
(2) The Trailer Coach Manufacturers Assn. has canceled its annual show in Cleveland next month.

The word from GM that there would be no big doings in the Waldorf ballroom this year came first in orders to divisions to stop work on exhibits.

• **Why?**—The chief reason seems to be that GM feared criticism if it ran the show in the face of a continuing and tightening war program. And production departments are afraid that materials shortages may force a cut in operations after the turn of the year. Since sales are a major object of any such show, it loses some of its point if the company has less to sell.



ACROBATICS have become a standard part of modern wrestling, along with basic holds and falls and the . . .



GAUDY ROBES, hair nets, and marcelled hair affects. For small business men, it all means that . . .

It Pays to Sponsor Television Corn

Wrestling on television continues to outdraw many big, expensive, high-class shows—so small stations prosper.

Three years ago, most television sets seemed to be surrounded by the odor of stale beer and the thick atmosphere of Stillman's Gym. The great majority of TV sets then in existence were in bars. And since there wasn't much around to televise anyway, broadcasters turned to professional wrestling for most of their "live" shows.

Most everybody figured that both these conditions would be temporary. TV would someday grow up out of the barroom stage and become a more or less respectable gadget in millions of living rooms. The growing audience would lead advertisers to pour more and more money into sponsorship of shows that could be tailored for TV. It wouldn't take long, reasoned the moguls, for the TV camera to turn from wrestling toward higher things.

• **Wrong Guess**—It hasn't worked out quite that way. As the number of TV set owners has grown, so has the wrestling audience. This week, with the lush winter wrestling season about to start, industry spokesmen estimate that this year wrestling will have the biggest TV audience ever. And because of that, just about every one of the hundreds of wrestling shows televised locally has a sponsor.

• **Sport and Burlesque**—Such a success story was about the last thing anyone expected from professional wrestling in

the 20th century. The reason was simple: Wrestling, one of the oldest of sports, had come to be held in about the lowest regard of any sport in existence. By contrast, it had for centuries enjoyed the reputation of being king of them all. As early as 5,000 years ago, it was highly developed. Wrestlers then used all the basic holds and falls that their successors use today.

Since then, a host of newer sports have replaced wrestling in the popular mind. A genuine match between two top-notch wrestlers became too dull to draw a crowd. To survive, wrestling adopted a phony facade combining vaudeville, melodrama, and hammy acting.

By the time TV got hold of it, nearly every wrestling "match" had its hero and its villain. Most of the antics of the wrestlers plus many of the new holds—such as the "airplane spin"—had been lifted right out of vaudeville. For variety, some promoters put on wrestling matches between women or between midgets. Modern wrestling had become a fourth-rate burlesque of its honored ancestor—with the epicene overtones of a burlesque theater.

• **A Good Act**—Because of this, wrestling is generally regarded as a show rather than as a sport. In New York State, the law requires that every professional match be listed as an exhibition, not as a contest. Yet even though

it's an act, wrestling is a good act—in a corny way—with lots of blood and bodily contact, dressed up with such things as flowing robes, marcelled hair, and weird nicknames for wrestlers (Gorgeous George, Nature Boy, The Hooded Phantom, etc.)

Nevertheless, before TV wrestlers made only a scant living grunting and groaning along the tank-town circuit. Now, all that has changed. Today the average wrestler makes somewhere between \$125 and \$150 in the worst territories; in the best spots some earn as high as \$2,500 or \$3,000 a week. And even the top wrestling promoters will tell you that television is directly responsible for this lush success.

• **Women Responsible**—What made wrestling such a big TV feature? Mainly it was due to the fact that its most ardent fans are women. One big eastern promoter estimates the home wrestling audience to be 90% women.

Explanations for this are a dime a dozen. The most common is that watching a wrestling match gives women a mental release for some kind of sexual frustration. Some psychiatrists say that it isn't quite that clear. Instead, they explain, little girls are brought up to control their hostility and to be ladies at all costs. Watching wrestling—and especially siding against the villain—lets them release their aggressive feelings.

• **Small Stations Profit**—Whatever the reason for its popularity, wrestling has been pretty much of a life saver for

most small non-network TV stations. A startling example of how it attracts an audience came a year or so ago, when WATV in Newark, N. J., televised a match between Antonino Rocca and "Mr. America" (Gene Stanlee).

The same night at the same hour, a big boxing match was televised on a network station in New York from Madison Square Garden. The wrestling match had a TV rating of 26.2 as against 22.6 for the boxing bout. Moreover, none of this detracted from the game in the wrestling bout. In their first four matches, Rocca and Stanlee drew a total gate of nearly \$150,000. Without TV—which had each of them on previously—the four matches would have grossed about \$20,000.

• **Small Sponsors, Too**—This kind of thing, of course, plays right into the hands of the local TV station and the local businessman—neither of whom can afford \$20,000 a week to put on a fancy variety or top-flight dramatic show. Even TV rights for a boxing bout in a local arena start at about \$1,000—usually the top price for a wrestling show. And boxing is an uneasy risk for a sponsor. A knockout in the first round gives him little time for his commercials; 15 dull rounds will make his audience switch to something else before the fight is over.

Wrestling, on the other hand, has none of these drawbacks. You're always sure of a good show which will almost always go on for the specified period of time; the winning fall seldom comes too early. Finally, even a dull wrestling match can be livened up by the announcer's kidding—reading poetry during an ungainly hold, crackling paper to simulate the crunching of bones, etc.

• **Family Audience**—Because of all these factors, wrestling has become an almost perfect show for retail stores to sponsor on local TV stations. Studies have shown that it is a top-notch way to reach an adult family audience. (The wives want to watch wrestling; the husbands haven't much choice.) Because of that, household appliance stores particularly find wrestling shows effective advertising.

For example: William Scheer Advertising Agency of Newark, N. J., decided to have one of its clients, Prince Range Co., sponsor wrestling over WATV. It has been highly successful—largely, Scheer thinks, because Prince Range sells household appliances.

The Scheer agency has been using TV wrestling to advertise retail stores for three years. "We started at a time when it was so cheap that it would have been foolish to stay off," says William Scheer, agency head. "We had no faith in wrestling at first, but it always turned out to be a good show. Furthermore, it was—and still is—the cheapest kind of a show."

TV Color: Still a Dilemma

FCC debates final adoption of CBS method after set makers revolt against manufacturing television receivers to "bracket standards." Court action certain if commission goes ahead.

The Federal Communications Commission started deliberating this week on what its second decision should be on the fast-muddying issue of color television. Its problem is what to do in the face of almost unanimous opposition among set makers to its proposal that they start manufacturing receivers that could receive both present black-and-white pictures and CBS color pictures in black and white.

• **Different Frames**—No set now made meets these "bracket standards." The reason is that present TV has 525 lines to the frame, while CBS color will have only 405 lines to the frame, nearly twice as many frames per second. In its first decision, a month ago, FCC asked the set makers to let it know by Sept. 29 whether they would be able and willing to put sets with bracket standards on the market by November. If they would agree, the commission said, it would postpone its final decision on color. If they did not agree, it said it would adopt CBS color as standard without further delay. FCC's object was to keep the rising tide of sets built to present standards from building up such a vested interest that color TV built to any other standards would be impossible.

• **Resounding "No"**—FCC didn't expect any cheers from the industry. But neither, it seems clear, did it expect the almost unanimous turndown it got. Nor did it expect the manufacturers to be so vitriolic in their refusal.

Practically every set maker answered the commission with: "It can't be done." November, they said, was just plain too soon. Much engineering work still had to be done; test equipment and components were impossible to get on such short notice; the needed retooling would take several months; field testing of sets would be unusually difficult because no CBS-type TV signals are being broadcast.

But several of the manufacturers went much further than a mere recital of the obstacles. Crosley, for instance, urged FCC to postpone any final decision on color, asked it to consider a compatible system (one, such as RCA's, which could be picked up in black and white by present sets) because the proposed bracket standards would not be in the public interest.

• **Charge of Bias**—DuMont also urged reconsideration of compatible systems, asked more time for research, and went so far as to accuse Commissioner Jones

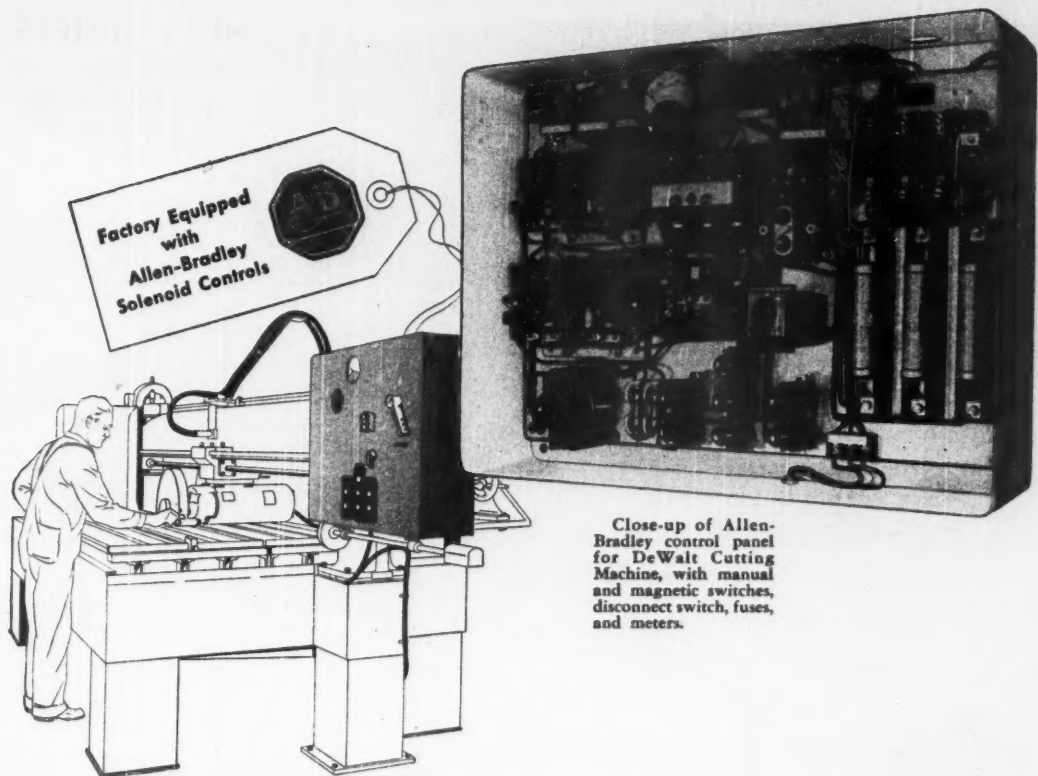
of "unprecedented bias." GE said that FCC's action was "technically and economically open to question," and Pilot said it "seems neither wise nor lawful."

Admiral's president, Ross Siragusa, really got sore. He said that FCC had made its request of set makers "with all the subtlety of an order from the Kremlin," that the job the commission wanted done was "as impractical as trying to convert the gasoline engines in the 10-million automobiles now in service to charcoal burners," and that Admiral will not be forced "into offering the public some . . . makeshift which will neither do the job nor meet possible future requirements."

• **Three Courses**—Three choices are now open to the commission: (1) It can carry out its threat, give an immediate binding O.K. to CBS color. (2) It can order the adoption of CBS color effective, say, six months hence, to give the manufacturers more time for research, development, and field testing of bracket standards. (3) It can back down from its earlier decision and order new hearings on the whole subject, thus reopening the way for the possible development of an adequate compatible system.

Most people in the industry are convinced that the second is by far the most likely. If the commission had merely received a polite turndown from the manufacturers, the choice would have been almost certain; the only thing that throws any doubt on it today is the violence of the set makers' reaction. But even allowing for that, the industry feels, FCC can't possibly throw the whole thing up for grabs again without losing face, and they think that's one thing the commission isn't willing to lose.

• **Court Action**—A decision by FCC putting the final seal on its recognition of CBS color—either at once or after a time lag—is certain to land in the courts. RCA in its reply noted that never before had an administrative agency undertaken "to coerce the freedom of choice of American manufacturers in what they may build and sell," and called the bracket standards "impossible and illegal." Putting those statements on the record certainly looks like the basis for a future suit. And several other manufacturers also are planning to sue before they'll accept any final decision in favor of the CBS color system.



Close-up of Allen-Bradley control panel for DeWalt Cutting Machine, with manual and magnetic switches, disconnect switch, fuses, and meters.

DeWalt DUAL COLUMN CUTTING MACHINE

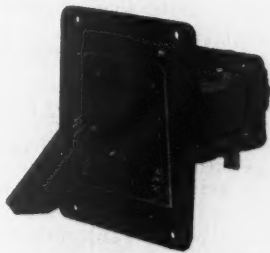
Operated by Allen-Bradley Special Control Panel

This machine, made by DeWalt, Inc., Lancaster, Pa., cuts metal sheets, plates, and slabs from 2 to 45 inches per minute, using revolving cutters. There is a separate motor for each machine function . . . all controlled by an Allen-Bradley special panel, shown above.

Several convenient push buttons, for manual control, extend through the cabinet cover. Reliable overload protection is provided for all motors.

Allen-Bradley controls are recognized assets on modern machine tools. Let us send you the latest Allen-Bradley catalog.

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1332 S. Second St., Milwaukee 4, Wisconsin



Allen-Bradley Bulletin 353 drum switches are available in a wide variety of types and sizes.



ALLEN-BRADLEY

SOLENOID MOTOR CONTROL

QUALITY

Let CROTTY BROTHERS worry about the plant restaurant

If expanding production is your immediate concern, management can save valuable supervisory time by turning over to Crotty Brothers all the headaches of running the company restaurant.

For plants employing 500 or more workers, Crotty Brothers will install its own staff and assume full responsibility for the complete and satisfactory operation of the restaurant or cafeteria...and provide better food at equal or lower costs than most self-run restaurants.

Many prominent manufacturers speak highly of Crotty Brothers' service and its professional know-how...the result of 20 years specialization in industrial restaurant management. Write today for particulars to:

CROTTY
BROTHERS INC.

OPERATING IN 18 STATES AND 45 CITIES

FOOD SERVICE
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SINCE 1930

137 NEWBURY STREET, BOSTON 16, MASS.
111 WEST WASHINGTON ST., CHICAGO 2, ILL.
303 SOUTHLAND ANNEX BLDG., DALLAS, TEX.



BUSINESS BRIEFS

Two more ore carriers for the Great Lakes fleet (BW-Aug.12'50,p26) were announced by Oglebay, Norton. They bring total planned additions to the fleet to eight since Korea.

TV output in the first eight months of this year was already more than 1-million units above the 1949 total. The Radio-Television Manufacturers Assn. puts the through-August total at 4,146,602.

An airline merger was approved by the boards of Delta and Northeast Airlines. If CAB O.K.'s it, the two systems would probably be linked with a New York to Atlanta run.

Mississippi's first cement plant will go up at Brandon with completion slated for September, 1951. Marquette Cement, the builder, plans a capacity of about 1-million bbl. a year.

The "blacklist" problem in broadcasting, which came to a head with the firing of actress Jean Muir (BW-Sep. 16'50,p26), is still without solution. A two-day, all-industry meeting brought only a decision to turn over the loyalty question to a study committee.

Cory Corp. (coffee-making equipment) bought out the assets of Nicro Steel Products, Inc., a manufacturer of stainless-steel coffeepots. The move, Cory says, makes it the biggest in the field.

Steel's bid for new business in Birmingham (BW-Sept.30'50,p30) was made more inviting. Big Steel's Birmingham subsidiary, Tennessee Coal, Iron & R. R., will add to supplies with a capacity increase of 500,000 ingot tons a year. Sloss-Sheffield Steel & Iron will build 30 new coke ovens to ease the local coke pinch.

Bonneville Power refused for the first time to make any firm power contracts with private utilities. The reason: "All but a very small amount" of the firm power will be absorbed by priority (public) customers. The best private utilities can get now are "interruptible" power commitments.

Cleveland's pride, its Terminal buildings, won't go to John Calbreath after all (BW-May20'50,p106). Robert R. Young and Allan Kirby interests are selling control to a new purchaser on a no-strings deal-and at a higher price (about \$8-million). The buyer is a New England syndicate; it includes Boston hotel man A. M. Sonnebend and trustees of Textron's Sixty Trust.



RIGHT FOR THE Stratocruiser...

RIGHT FOR THE Stratojet...

the SPERRY A-12 Gyropilot*...

is Boeing's and the U. S. Air Force's choice for the B-47B Boeing *Stratojet*, because of its ability... already proved on the Boeing *Stratocruiser*... to provide smooth, precise automatic flying under all flight conditions.

- The Gyropilot does for the pilot of the B-47B... a military jet of 600-miles-per-hour speed and over 2000-mile cruising range... what it does for the pilot of the commercial airliner.

- It gives him complete automatically-stabilized control of his aircraft through all weather even at high speeds and high altitudes... enables him with the automatic approach control to make automatic approaches through low weather ceilings in rough air.

- Today, many leading airlines... in continuing efforts to improve schedule reliability and make service increasingly independent of weather... are using the Sperry A-12 Gyropilot to supplement their flight personnel's skill and experience.

*Trade Mark Reg. U. S. Pat. Off.

SPERRY *GYROSCOPE COMPANY*
DIVISION OF THE SPERRY CORPORATION, GREAT NECK, NEW YORK

CLEVELAND • NEW ORLEANS • LOS ANGELES • SAN FRANCISCO • SEATTLE • NEW YORK • IN CANADA: THE ONTARIO HUGHES OWENS COMPANY, LIMITED • OTTAWA

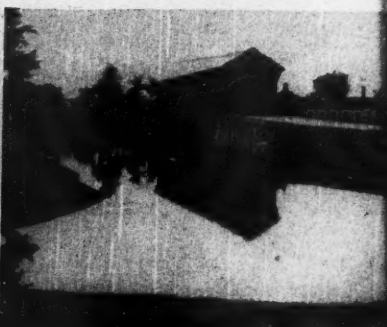
MANAGEMENT



Henry Ford
Whim, not policy,
ruled his spending



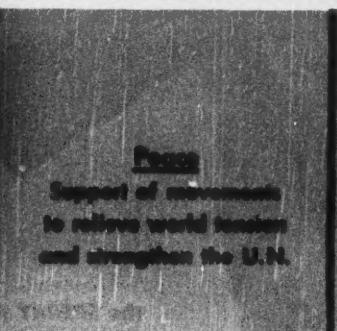
The Peace Ship



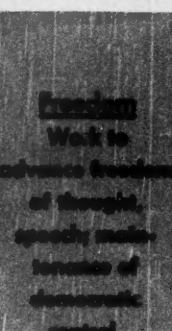
Americans



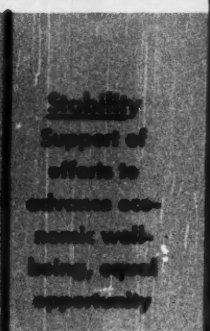
Henry Ford II
For his spending,
a charmed course



Peace
Support of movements
to relieve world tension
and strengthen the U.N.



Freedom
Work to
advance freedom
of thought,
speech, media,
terrorism of
democratic
control.



Stability
Support of
efforts to
advance eco-
nomic well-
being, equal
opportunity

Ford Foundation: \$15-Million a Year to

Two Wall Street operators, the story goes, were hashing over Henry Ford one day in 1923. "Ford talks like a Socialist," said one. "Yes, but he acts like one of us," the other replied, "and he gets away with it."

Ford, truly, was two things. To the public, legend made him the "new economist" and the humanitarian. To business, he was as rugged an individualist as there was. He made his money—and spent it—the way Henry Ford wanted.

But he couldn't spend it all. And now the fortune he left will be spent in ways that Henry Ford probably never dreamed of.

• **Unrivaled Program**—Last week Henry Ford II revealed a plan that will channel the Ford millions into the most expensive private program for peace and

economic progress ever conceived. As chairman of the \$238-million Ford Foundation, Ford set a spending figure of \$12-million to \$15-million a year for work in five areas. To shepherd the program he picked a man with experience in giving money away—ECA boss Paul Hoffman.

Hoffman, the one-time Studebaker boss who guided ECA from its fledgling days, will become president of the biggest foundation in the world sometime next January. (Ford's nearest trust rival in size is the Carnegie Corp. of New York which has assets of \$170.5-million.) The appointment isn't official yet. Hoffman, in fact, said last week there was "no deal, and he [Ford] is free to employ anybody he wants to..." But that was for the record.

What Hoffman wants is to get done

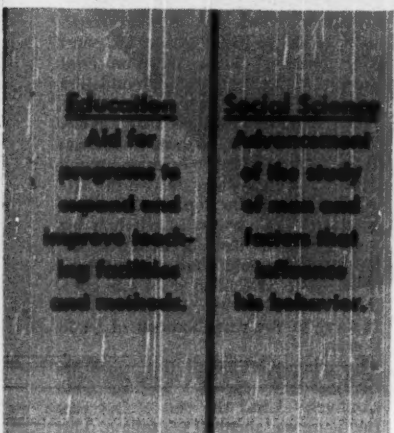
with a trip to Europe as ECA consultant—with no private ties. When he gets back, probably in early November, the trustees of the foundation will announce him as new president. Barring a Truman draft for some special job, he will start drawing a foundation paycheck—presumably for \$100,000 a year—early in January. He will have "unlimited powers," Ford officials say.

• **What It Is**—The Ford Foundation was set up in 1936 "to receive and administer funds for scientific, educational, and charitable purposes, all for the public welfare." Founded by Edsel Ford, its original endowment was small—\$25,000.

It wasn't small for long. Grants to the nonprofit foundation were more than just charity for the Ford family. They were a way to keep the bulk of



"Medal Medicine"



Education
Aid for
progressive to
expand and
improve teach-
ing facilities
and methods.

Social Science
Advancement
of the study
of man and
factors that
influence
his behavior.

Study Peace

the family fortune out of the U.S. Treasury.

• **Estate Tax**—Ford thinking was always overshadowed by the state and federal estate tax. A fortune as large as their's would have been pared to a fraction if left outright to the family. But under the tax laws, bequests to charitable foundations and gifts during life, are not taxable. That is they are not counted as part of the estate for tax purposes.

Since 1919, all the stock of Ford Motor Co. had been in the family vaults. Had Henry and Edsel passed it along to the sons and grandsons, it would have been subject to estate tax. And the tax would have been so big that the heirs might have been forced to sell stock to pay it.

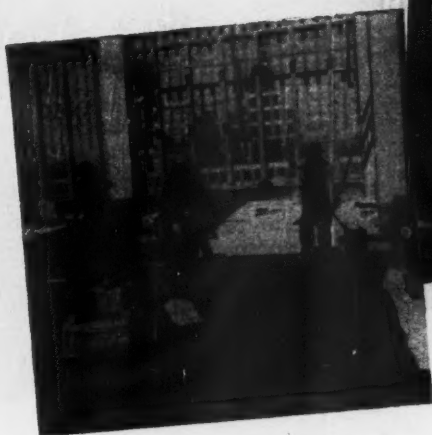
By leaving the bulk of their stock to the foundation, both Fords were able

On this famous public building

... and on countless
commercial and industrial buildings

PC FOAMGLAS

the long life insulation



Here you see PC Foamglas Insulation being laid on the concrete roof deck of the United Nations Secretariat Building. The strong, rigid blocks provide a long lasting barrier to vapor transfer, heat and cold. Foamglas increases indoor comfort... helps make heating and air-conditioning systems more efficient.

• The roof of the United Nations Secretariat Building in New York City is insulated with PC Foamglas. This is just another indication of the wide acceptance enjoyed by this unique insulating material. Satisfied users can tell you that they prefer Foamglas because it is giving long lasting satisfactory service not only on all types of flat and pitched roofs, but also in walls, floors and ceilings of all sorts of buildings.

Its cellular glass structure makes Foamglas an exceptionally effective insulating material. Being glass, it has unusually high resistance to moisture, vapor and acid atmospheres, is noncombustible, odorless and verminproof. In fact, when properly installed, PC Foamglas retains its original insulating effectiveness. Consequent savings on repair, maintenance and replacement costs make Foamglas an exceptionally economical insulating material.

To assure long lasting satisfaction with every insulating job, make sure that you have the fullest information on the physical properties of PC Foamglas. Just mail in the convenient coupon and our latest booklet on the installation of PC Foamglas Insulation will be forwarded promptly, along with a sample of the material.

This is FOAMGLAS®

The entire strong, rigid block is composed of millions of sealed glass bubbles. They form a continuous structure which has unusually high resistance to moisture, vapor and acid atmospheres, is noncombustible, verminproof and odorless. In these closed glass cells, which contain still air, lies the secret of its long life insulating efficiency.



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FOAMGLAS INSULATION

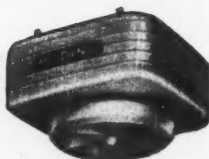
When you insulate with FOAMGLAS... the insulation lasts!

It pays to get the whole picture when selecting Unit Heaters



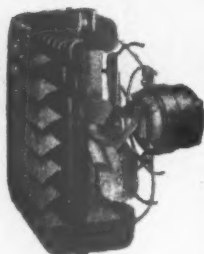
Focus on styling

Here's beauty that works! One look at a Modine's sleek, simple lines—styled by one of America's top industrial designers—and you'll agree that Modines offer you the most in dynamic, functional appearance.



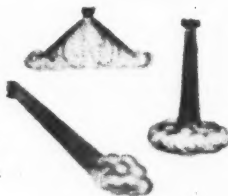
Focus on construction

It's a fact! Modines stand up to the slugging of hard use... the wear and tear of time. Only corrosion-resistant copper and copper alloy are used for steam-carrying passages. Tubes and headers are cylindrical and brazed at the joints for greater pressure-resisting strength. Individual expansion bends absorb differential stresses. Casings are Parker-Bonderized for rust protection.



Focus on performance

Owners say they get finest performance with any Modine—Horizontal, Vertical, or Power Throw model. The reason is simple. Modines are skillfully engineered to give you the correct outlet air temperature and sufficient air velocity for uniform comfort... maximum fuel economy.



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Yes, when you get the whole picture, you'll just naturally select Modine Unit Heaters. In factories, stores, hundreds of other locations—Modine Unit Heaters excel in efficient, low-cost service. Get all the facts from your nearest Modine representative. He's listed in the classified section of your phone book. Or write direct. Modine Mfg. Co., 1508 Dekoven Ave., Racine, Wis.

Ask for Modine Unit Heater Bulletin 149A. Also available—bulletins covering special applications in commercial brooder houses, greenhouses, and milk houses.

Modine UNIT HEATERS

FOR FACTORIES • STORES • GREENHOUSES • COMMERCIAL BROODER HOUSES • MANY OTHER APPLICATIONS

to avoid this. At the same time, they maintained indirect family control—if not ownership—of the shares.

• **Smoke Screen**—By the time Edsel Ford died in 1943, assets of the Ford Foundation had climbed to about \$30.5-million. There the clouds closed in. Until Edsel's and his father's estate were finally settled this year, outsiders had only rough clues to the value of the foundation.

Complete financial details are not available yet and won't be until the foundation publishes a report at year-end. But this much is known. The foundation now has on its books 3,089,908 shares of the total 3,280,255 shares of outstanding nonvoting stock of Ford Motor Co. (Only 172,645 shares of total Ford stock are voting; they, together with the rest of the nonvoting stock, are held by the family.) The foundation's value figure for these shares is \$238,166,175, or \$77.08 a share.

• **Even More?**—That figure, however, may be low. Last spring in the settlement of Henry Ford's estate, the court put a value of \$90 a share on Ford stock. If that holds, the foundation has assets of more than \$278-million, based on the worth of its shares alone.

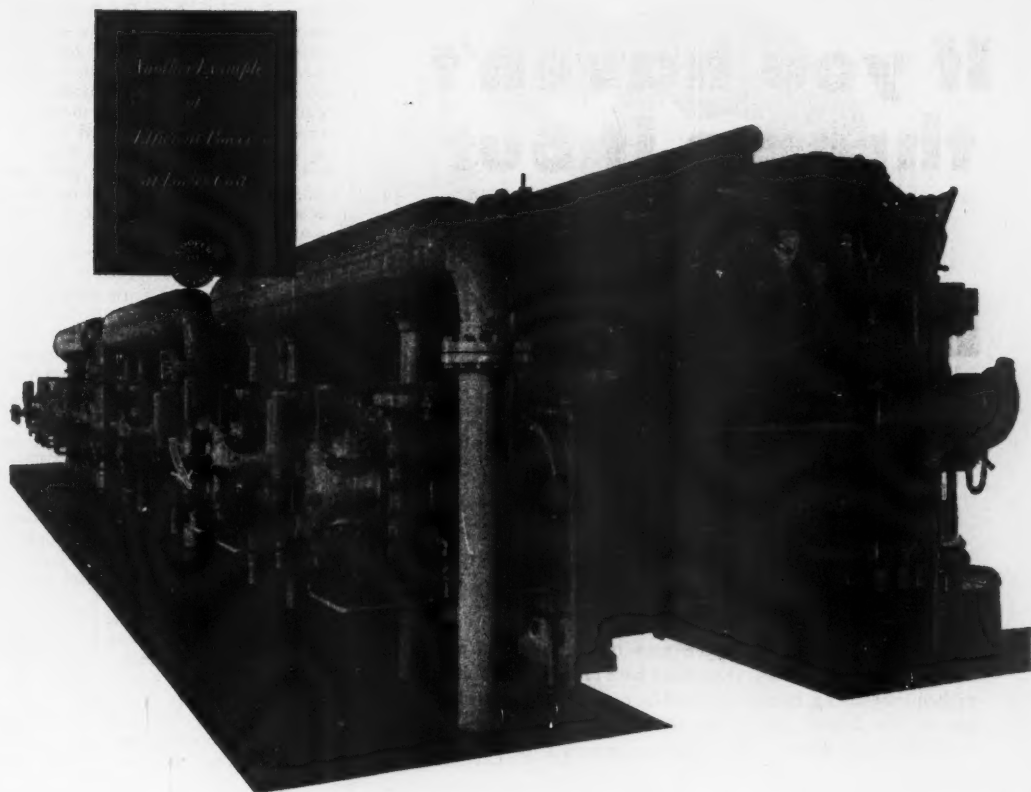
But the foundation owns more than shares. It has real estate holdings around Dearborn. These may be worth \$10-million or so. On top of this, there is cash. No one knows exactly how big Ford dividends have been in the last few years, because Ford doesn't have to report to SEC. But it's a safe guess that since July, 1948, they have been running in the neighborhood of \$4.50 a year.

• **Spending**—Out of all this, what has the foundation spent? Very little, comparatively. Until the end of last year the figure was about \$18.5-million. This spring another \$13.6-million was donated to the Henry Ford Hospital, bringing the over-all total to a little more than \$32-million.

A good share of the money has gone to maintain and operate the projects Henry Ford started—the Americana collection at Greenfield Village, the Edison Institute, the "model medicine" plant of Henry Ford Hospital, and the usual family charities. Biggest break with the Henry Ford pattern has been in notable contributions to the United Jewish Appeal.

• **Explanation**—There are at least two reasons why the foundation has spent so little thus far. The first is that a good part of its money has been tied up in estate settlements. In their wills, the Fords made the foundation the residuary legatee for their estates. That is, they named their heirs to receive specific bequests of money or securities. After the heirs had been paid, the foundation got everything that was left.

Finding what was left took time. It



How to trade engine heat for cold cash!

IF you're a technical man, you know that an engine simply converts the heat of fuel combustion into usable motion or power. You also know that there's always *unused* heat that must be dissipated or somehow disposed of. In sizeable engine installations this can be a big problem, involving lots of costly cooling equipment and valuable space.

Here again, recent Cooper-Bessemer developments are saving money. For example, hundreds of big engines like the Cooper-Bessemers shown above are used to drive compressors on cross-country pipe lines. Because of the Cooper-Bessemer Turboflow and supercharging developments and other advancements, much more combustion heat can now go to produce *power*, leaving much less waste heat to be dissipated. Thus the cost of cooling equipment, piping and installation can now be reduced by thousands of dollars. It's a huge plus saving over and above the gains of greater fuel economy and increased power.

Far-reaching developments like these are constantly

being worked out at Cooper-Bessemer. And they're being applied to heavy duty engines for *all* services . . . stationary power, locomotive, marine and other mobile uses. If you have a stake in power, be sure to find out about the *new* things being done by one of America's *oldest* engine builders.



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also took money—from the foundation. Since the heirs had to receive specific amounts under the terms of the will, the estate taxes had to come out of what was left. Thus, though the foundation's bequest wasn't taxable, the money it actually received was reduced by the taxes on the other part of the estate.

• **Waiting for Plans**—For the past two years, spending has been held up for a second reason—the report of a study committee.

In the fall of 1948, Henry Ford II and the other trustees picked H. Rowan Gaither, Jr., to head a planning group that would spell out ways for the foundation to spend its money. Gaither, chairman of the Rand Corp. and a San Francisco attorney, gathered around him seven other men, educators in medicine, the natural sciences, political science, the humanities, and business.

This group became the foundation study committee. Its job was to take stock of existing knowledge and institutions to find areas where the foundation could best operate. It had complete authority to pick the fields for foundation activity, subject to general policy approval by the trustees.

• **Talk and Write**—Backed by a permanent staff, the committee met frequently in small groups, occasionally as a whole. All told, it interviewed more than 1,000 people. Ford figures that over seven man years were burned up before the committee finally turned in 22 special and individual reports last winter.

Out of these came the general report, which was released last week. No catalog of projects, it merely blocks out the five critical areas (chart, page 30) where the committee thought the trust would be able to make its most significant contributions.

• **Out of Profits**—These contributions will probably stand the foundation between \$12-million and \$15-million a year. (It already has offered \$3-million to 13 universities for research programs in human conduct.) Its plan is to finance the work entirely out of income—which means out of Ford profits.

On the basis of \$4 to \$5 dividends each year, it can do it. But if Ford's profits dip, as they have before, what then? It's conceivable that with the foundation committed to a firm spending program, Ford might someday have to sell some of its long cooped-up Ford stock.

• **Telltale**—For businessmen, though, one thing is sure. The foundation is going to tell them a lot more about the finances of Ford Motor Co. than they have known up to now.

Ford so far has had to file only one statement a year—a balance sheet required by Massachusetts from every company that does business in the state. From the changes in these reports from



**They drill
for this
shampoo**

We don't know *who* the young lady is washing out of her hair, but we do know *what* she's using. That's why we've perched a miniature oil refinery on her washstand. It's a symbol of the new chemicals that are now being made from oil. Some of those petroleum chemicals are in the young lady's shampoo.

She takes a bubble bath in some. She brushes her teeth with others. And still others help make the nylon bristles and plastic handle of her toothbrush.

Atlantic makes petroleum chemicals. We are a major producer of synthetic detergents made from petroleum. These new products are already cutting costs and winning new customers for many manufacturers. Maybe there's a profitable place in *your* future for some of the products we make.

Write to Chemical Products Section,
The Atlantic Refining Company,
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fire safety earns Insurance Savings for world's largest airline shops!

A leading factor in the business economy of Pan American World Airways is evidenced in the extensive system of fire protection which was recently installed at the Company's huge Miami, Florida Overhaul Base. At this multi-million dollar facility, all classifications of aircraft, including giant Clippers costing as much as \$1,500,000 each, undergo complete servicing and minute inspection. The entire operation is safeguarded from fire by means of "Automatic Sprinkler" systems, scientifically designed for the special hazard of airplane storage and repair. Over 15,000 fixed temperature and Rate-of-heat-Rise operated sprinklers are ready at all times to provide instant, effective protection at the first indication of flame.

Adequate fire protection is essential for Pan American and it should be for you. It provides absolute security through preserving the continuity of business operations and, in so doing, offers additional advantages in the form of reduced fire insurance rates.

Better call on your nearest "Automatic Sprinkler" representative for complete information on how you too can save lives . . . save property and save money with "Automatic Sprinklers."

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FOR INVESTMENT PROTECTION

DEVELOPMENT • ENGINEERING MANUFACTURE • INSTALLATION
OFFICES IN PRINCIPAL CITIES OF NORTH AND SOUTH AMERICA

year to year, it's been possible to arrive at Ford's indicated earnings—after dividends. But the amount of dividends has never been known exactly. Ford reported them only sporadically.

Now the foundation will have to report at the end of each year. It will show the exact income it has had on Ford shares. With that and the Massachusetts report, business will know within a few dollars just how Ford made out.

How to Manage

Stevens Tech opens department to teach engineers the art of business. Production and sales training emphasized.

Engineers have a habit of ending up in the management end of industry. Mostly, they just gravitate there, without any special management training to supplement their technical studies.

Stevens Institute of Technology, Hoboken, N. J., has decided to fill in the training gap. A new Dept. of Management has been added to its Graduate School. Starting this fall, it will give courses in management problems in production, marketing, and business.

• **Many Courses**—Robert H. Baker, director of the Stevens Graduate School, says the department is an outgrowth of a former department dealing with the Economics of Engineering. The Dept. of Management will include 34 courses, many of them new. They will range all the way from the management of buildings to municipalities. The department will also conduct research and consulting services.

Plans for the department were based in part on a survey conducted by Prof. F. J. Caudet, director of the Laboratory of Psychological Studies at Stevens. The survey showed that most engineering graduates turn to production engineering, with a smaller group in the sales end. Since a large part of both groups either become a part of management or enter their own businesses, they need some specialized knowledge of the working of free enterprise.

• **Cost Control**—Here are some of the subjects which will be treated: proper application of production techniques, personnel problems, cost control, application of time studies, and job evaluation.

On the sales side, efforts will be made to teach fledgling engineers the business of marketing. In the past, Stevens officials believe, engineers have been hired as salesmen almost exclusively because of their technical knowledge.

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THEPHORIN LOTION
Hoffmann-La Roche Inc.
Absorbent Packaging

Maximum protection—in packaging of pharmaceuticals

Want to cut shipping costs—reduce damage to your product in transit? Want to make your packaging operation smooth, fast, up-to-date? Then investigate KIMPAK® Float Packaging—the safe, economical way to ship everything from delicate pharmaceuticals to furniture, food and even diesel locomotives!

KIMPAK creped wadding comes in rolls or sheets—in a broad variety of specifications to cover all Four Basic Methods of Interior Packaging: blocking and bracing, flotation, surface protection and absorbent packaging. It's light, easy and pleasant to handle—clean and completely

free from damaging foreign matter. KIMPAK absorbs up 16 times its own weight in liquids; takes continuous vibration and severe shock. Soft and flexible, KIMPAK provides "float packaging"—the world's most effective shipping protection.

Why not eliminate losses due to damage and customer dissatisfaction? "Dress up" your product, and give it this far superior, yet far more economical protection. See your nearest KIMPAK distributor listed in the classified telephone directory under "Packing Materials" or "Packing Materials-Shipping" or write directly to Kimberly-Clark Corp., Neenah, Wis.

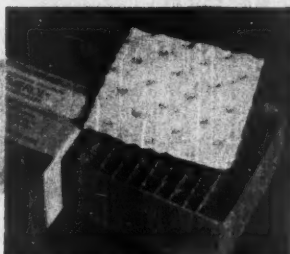
Kimpak

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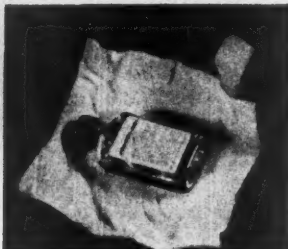


CREPED WADDING

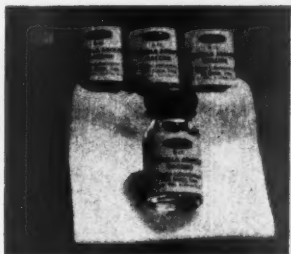
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Demerol Hydrochloride. Photo courtesy of Winthrop-Stearns, Inc., New York, N. Y.



Phospho-Soda. Photo courtesy of C. B. Fleet Co., Inc., Lynchburg, Virginia.



Brucella Abortus Vaccine. Photo courtesy of Fort Dodge Laboratories, Inc., Fort Dodge, Iowa.

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COMPANIES



J. RALPH CORBETT leans proudly on fancy NuTone door chimes, holds an early model made from a talcum-powder box. Now his firm is making simplified chiming clocks.

Quiet Please, Chimes at Work

Manufacturer, who wants no noise, turned from law and radio career to making musical doorbells and clocks. And there's a musical tinkle in NuTone's cash drawer.

The private life of J. Ralph Corbett has been one long search for quieter and quieter places to live. His business career has been more audible: lawyer, radio producer, manufacturer of door chimes and chiming clocks.

Now he's a full-time manufacturer in Cincinnati. Besides the chiming gadgets, his NuTone company makes ordinary clocks, push-buttons, ventilator fans. All of them you can hear. You can also hear the cash registers pealing happily in the NuTone office. Sales are expected to hit \$4-million this year. The plant has just been re-expanded to 105,000 sq. ft. It started with 500 sq. ft.

• **Began in 1936**—Corbett got into the chimes business in 1936, slightly unintentionally. He had lent some money to a Dayton man to make a pioneer door chime, strictly expensive. When the company went broke, Corbett took over, began to pump in some life-giving cash produced by his radio program.

• **What to Do**—The first moves were to find out: (1) how to make chimes less expensive, and (2) who would buy them.

The answer to (1) was worked out by Dr. L. M. Alexander, University of Cincinnati acoustics expert, who became NuTone's fifth employee after school hours. The Dayton man's chimes had ranged from \$125 to \$16.50. By

simplifying, and adopting different sound principles, Alexander set up four basic models ranging from \$25 to \$1. The old \$16.50 model sold for \$4.95.

Some field research produced the answer to question (2). Corbett found that owners of existing houses were reluctant to install door chimes to replace buzzers—which had generally cost them from 20¢ to 35¢. But new houses were a different matter. Families with their own homes going up figured that nothing was too good for the dream palace. Speculative builders found the fancy chimes good bait for buyers.

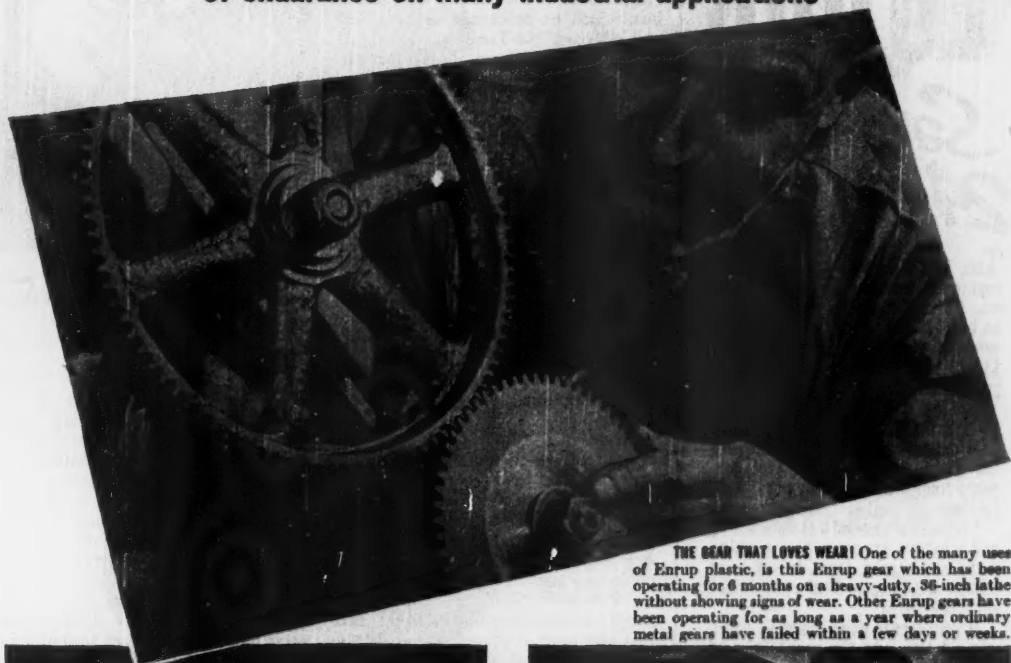
• **Wholesalers**—So Corbett went to work on the new-house field. Originally he sold through department stores and through wholesalers. But in 1938 he dropped selling direct and concentrated on wholesalers who dealt with builders and contractors.

In 1937, the first year of production, NuTone sales were a mere \$40,000. They climbed steadily, but for three years the company stayed in the red, being nourished by Corbett's radio money. Things were beginning to look much brighter—1940 sales were \$1.2-million, when the war dealt NuTone a body blow.

• **War Work**—Corbett shifted to making fuzes for the services. But how to

LIFE EXPECTANCY UNKNOWN

ENRUP, new plastic by U. S. Rubber, outmodes present standards of endurance on many industrial applications



THE GEAR THAT LOVES WEAR! One of the many uses of Enrup plastic, is this Enrup gear which has been operating for 6 months on a heavy-duty, 36-inch lathe without showing signs of wear. Other Enrup gears have been operating for as long as a year where ordinary metal gears have failed within a few days or weeks.



NO BATH FOR A Sissy. See how the 20 per cent solution of sulphuric acid eats away the steel gear at left, while the Enrup gear is unharmed. Enrup is the plastic that outwears steel, is non-conductive, non-absorbent, easy to clean, makes no noise when in operation. It has high tensile and impact strength, is unaffected by oils.



A DESIGNER'S DELIGHT. Just a few of the many products which have been molded for leading manufacturers out of Enrup. It can be made into almost any shape or form, punched, sawed, sanded, nailed, bolted, molded and machined. Smallest item weighs as little as one-third of an ounce. The largest? There's no size limitation.

Many a product is successful today because of Enrup. This new plastic is lightweight, rugged, handsome and highly workable, permits designing and engineering economies previously thought impossible. Can your product be improved by this versatile material? Our engineers will gladly tell you, at no obligation. Write to:

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Saved in 24 months

This Sheffield machine gages and segregates refrigerator valve plates into 28 classifications—2,000 parts an hour. It has already paid for itself and is now saving a little more than \$1,000 a month over the previous hand gaging method.

The job is exacting because these valve plates have a highly lapped finish. They can be completely ruined by even the slightest scratch, and that happened frequently when they were gaged by hand.

The parts are loaded into the machine and a button pressed. The machine sorts and stacks them in individual chutes according to size, without marring their finish.

If you inspect mass-produced parts, why not look into the possibilities of Sheffield gaging and segregating machines. You will gain the benefit of Sheffield's many years of experience in this field. Write for engineering data.

3480



the **Sheffield**
corporation
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preserve his sales staff, which he considered the key factor in his job of convincing the public that luxury items were really essentials?

• **Mail-Boxes**—Corbett searched desperately for something he could manufacture that needed no scarce metals, yet would hold his sales staff together. He found it in the humble RFD mail-box, which he proceeded to make out of hardboard. Nu-Tone sold 1,500,000 of the ersatz mail-boxes during the war. The sales staff was happy; so was the Post Office Dept.

By Pearl Harbor, NuTone had over 400 employees; 100 of them marched off to war. Corbett, a demon letter writer, kept in voluminous touch with them. When peace came, a very large percentage returned to their old jobs.

• **"A Crazy Year"**—That meant that NuTone was in fine shape to meet the pentup postwar buying. And the buying snowballed. In 1946, NuTone sales hit \$5-million in door chimes and clocks, the latter a sideline. The figure was \$2-million more than Corbett had guessed. "It was a crazy year," Corbett says. "Anything in a box, people bought."

Next year came normality; sales tapered off to \$3-million, where they stayed till this year's new boom.

• **Seasonal**—Even with the drop, things were rosy in the expanding Cincinnati plant. But there was one bug: Sales were highly seasonal—two-thirds of all business was done between September and December. So in 1947 Corbett cast about for something else he could make that was used in homes. What do you encounter first at a house? The push-button. So NuTone began making push-buttons. Of the seven models made, the super-deluxe one complete with nameplate now sells 50,000 to 60,000 a year. That one costs \$2.50, the others range down to 35¢.

Next Corbett brainchild was a kitchen ventilating fan, made especially simple, easy to clean. The fans caught on; NuTone found itself with pretty much a year-round business.

• **High Unit Value**—Still Corbett wasn't satisfied. He wanted to add something with a high dollar value per unit. He found the answer in Westminster chiming clocks. A survey revealed that people wanted their clocks to shut up during the sleeping hours. The NuTone clocks oblige: a switch automatically silences them from midnight to 6:30 a.m. Also they keep mum on the quarter hours.

Prime feature of the NuTone clock, Corbett says, is a 3-in. disc that replaces the intricate brass gears of the conventional striking and chiming clock. Prices range from \$89.50 to \$149.50—Corbett claims his most expensive model is comparable to his competitors' \$395 model. He adds: "Functionally,



PROFESSIONAL musicians, like percussionist William Taber, test NuTone chimes.

ours will do what the others do, only ours does it better."

• **Getting Ready**—Right now, NuTone is laying its plans in case of total mobilization. The engineering staff is split in two parts, one for civilian products, the other for prime contracts and subcontracts in war production.

It all seems pretty noisy for President Corbett, the fugitive from sound. Born 52 years ago on Long Island, he studied law at New York University. His first Manhattan apartment was on the fifth floor—too noisy. He tried the 19th floor—still too much racket. Then he went west to Cincinnati, even bought a farm—with the city man's notion that a farm is quiet.

His office is quiet, though you hear a muted NuTone chime now and then. And of course, there's that pleasant clanking noise in the company's till.

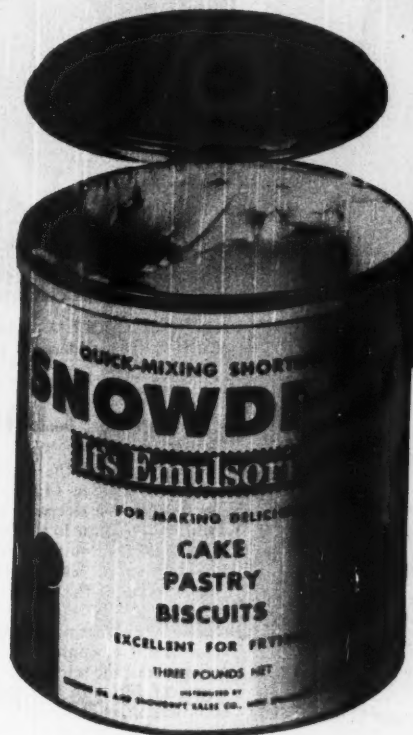
Microfilming Shows Big Post-Korea Jump

The microfilming business is shooting up fast, has been ever since mid-July. Banks, insurance companies, manufacturers, and businesses in general are showing new interest in getting their records and engineering drawings down on easy-to-protect microfilm. Start of the shooting in Korea was the sign for the rush to begin.

Burroughs Adding Machine Co., a newcomer in the microfilm field, shows the most sensational sales gains. In July, its microfilm sales jumped 393%. Total sales from July 1 to Sept. 30 are 440% above the previous 90 days.

Recordak, whose first-half sales had been down a bit from the 1949 period, reported good gains in July but gave no figures.

news about processing liquid
or viscous materials



Why you can
**beat your cake
and have it—fast**

SUCCESS of three-minute cakes and biscuits made with Snowdrift quick-mix shortening lies in the fact that *all* of the batter can be mixed and beaten together in the same bowl.

Speed is also a vital factor in the processing of Snowdrift shortening. To obtain a product of improved, more uniform texture, fat crystals must be separated quickly, while

still minute in size. Votator Shortening Apparatus is the answer . . . chilling, congealing, and plasticizing the hot fat *six to ten times faster* than any other known heat transfer mechanism!

Moreover, Votator Shortening Apparatus provides for continuous operation in a closed system. This overcomes the variations inherent in batch processing, and safeguards product purity.

The rigid quality control, and savings in labor, space, and time achieved by the Wesson Oil people—makers of Snowdrift—can be yours,

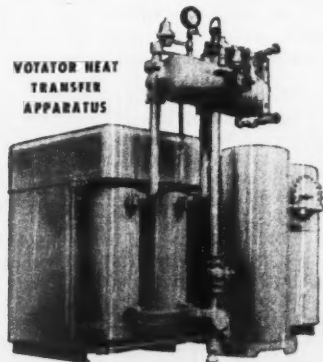
too, if you process any liquid or viscous material involving the transfer of heat. Why not get in touch with Girdler now?

GET THIS FREE BOOK TODAY!

This 32-page book gives you the complete story on Votator Processing Apparatus. Describes the processing of an amazing variety of food and industrial products. Contains 12-page technical section with valuable reference data and charts. Write for your free copy today.



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VOTATOR DIVISION

THE *GIRDLER* CORPORATION

LOUISVILLE 1, KENTUCKY

VOTATOR is a trade mark applying only to products of The Girdler Corporation

TRANSPORTATION



CAPT. ROBERT DOLLAR strung his line around the world. But his sons lost it.

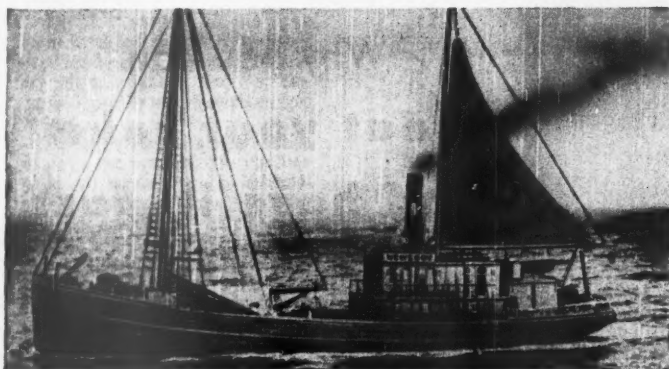


GEORGE KILLION heads the line—now American President Lines—for USMA.

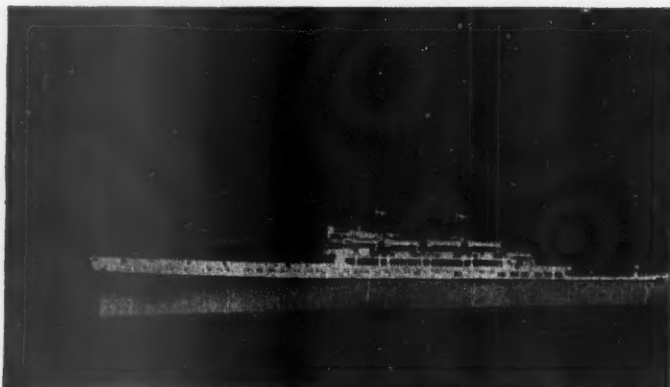


R. STANLEY DOLLAR, Robert's son, says APL is still Dollar Line, and still his.

Question: Who Owns the Dollar Line?



FIRST SHIP to carry the Dollar name and sign was Capt. Dollar's Newsboy. The early Dollar ships carried lumber along the Pacific Coast.



PRIDE OF THE FLEET today is APL's President Cleveland, built by Maritime Commission. It's twin sister to the President Wilson.

The elevator in the building at 311 California St., San Francisco, deposits you in a paneled reception room on the 10th floor. A turn to the left leads you to the executive suite of the American President Lines. A turn to the right and you wind up in the Robert Dollar Co. offices.

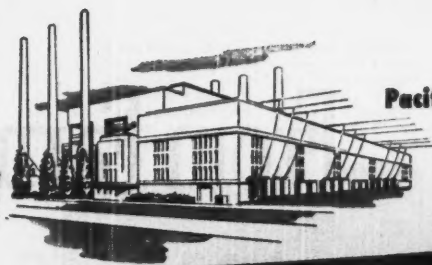
This cozy sharing of the reception room is apt to confound a visitor who knows about the schism those two doors represent. For the U.S. Maritime Administration, APL's foster parent, and Dollar are locked in a mighty struggle that's approaching its final decisive round. The stake: ownership of the globe-spanning, \$60-million APL.

R. Stanley Dollar, Pacific Coast lumber and shipping tycoon, claims the line belongs to him. The Maritime Administration claims possession on the ground that Dollar baled out when the going was tough.

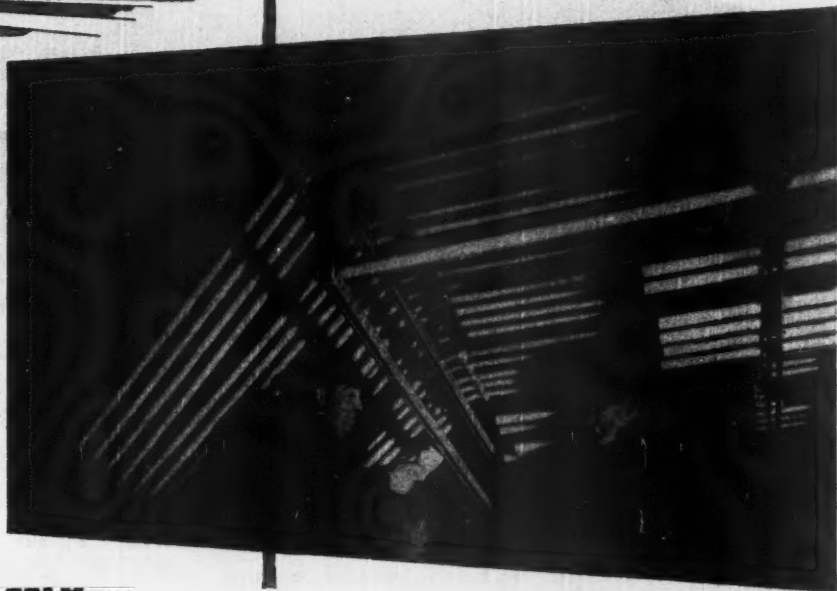
• **Surrendered What?**—The line, formerly the Dollar Steamship Co., has been controlled by the Maritime Administration since 1938. At that time Dollar surrendered 92% of the voting stock in his nearly bankrupt line to satisfy a \$74-million debt to the government.

The crux of the litigation is this: When Dollar transferred the stock in 1938, did he transfer title to the Maritime Administration? Or was Dollar simply depositing collateral to secure the debt? The debt itself was paid off in 1943.

The federal trial court in Washington ruled against Dollar. The circuit court of appeals held that the stock was posted only as security. Since the debt has been satisfied, this court ruled, the government must return the stock to



Pacific Gas and Electric's New Contra Costa Steam Plant



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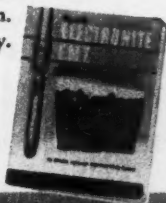
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Well organized farm activities permit John Turner to spend time with his family at home and on vacations. Last year the Turners visited Ontario; this year they took in the West Virginia State Fair. Mrs. Turner frequently accompanies her husband on business trips, and enjoys shopping in such cities as Roanoke, Richmond, Baltimore and Washington.



From Farm Tenant to Marketing Leader

From a tenant farmer with a \$200 stake, John Turner—Country Gentleman subscriber of Broadway, Va. — has prospered until he now raises and sells beef cattle, hogs, lambs, chickens and turkeys by the carload. But he is proudest of having helped to show other farm people how to get extra profits from livestock by modern marketing and selling practices.

JOHN TURNER personifies today's business-farmer whose better marketing is adding so much to farm income. In the Shenandoah Valley, he is respected as a pioneer in growing, conditioning, processing and packaging meats for peak market prices.

Hundreds of farm families in 24 counties profit from the Rockingham County meat packing and poultry cooperatives which he helped organize and serves as a director. The Turners themselves are among the heaviest suppliers of these plants, which process, pack and market over 200,000 pounds of beef and

pork, and a quarter of a million pounds of chicken and turkey each week.

The Turner family's own diversified livestock operation requires a substantial overhead with an annual feed bill alone of \$20,000. Good management has brought them a proportionately high return. Their story, in the October issue, makes absorbing reading for all the farmers in Country Gentleman's great nationwide audience . . . 2,300,000 families who have learned they can depend on this magazine for useful, inspiring information about their business and way of life.

The best people in the Country turn to

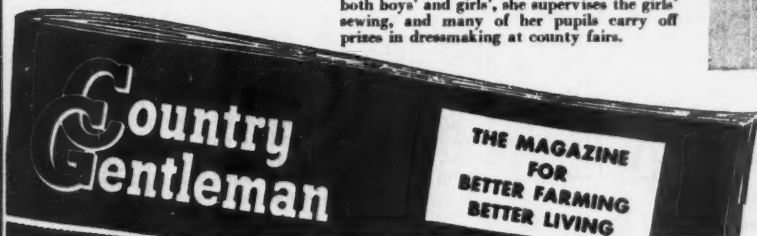
Here Edwin exhibits the grand champion bull and grand champion beef heifer at the Rockingham County Farm Show in 1949. Mr. Turner is national president of the American Shorthorn Cattle Club and frequently judges at shows in the East and Midwest.



▲ On 354 acres, including 130 rented, the Turners usually raise 24,000 chicken broilers per year, 5,000 turkey broilers, 75 fat steers, 100 to 125 hogs, and from 50 to 175 lambs. They also sell nearly 28,000 eggs for hatching, over 19,000 day-old turkey poults, and produce show quality purebred Shorthorns. They have led in developing special lean-type hogs for bacon and hams.



▶ Mrs. Turner "wouldn't know how to do without" her dishwasher and other modern home appliances. Active in the work of 4-H Clubs, both boys' and girls', she supervises the girls' sewing, and many of her pupils carry off prizes in dressmaking at county fairs.



New nationwide survey among retailers in 11 different classifications again reveals that dealers consider Country Gentleman's 2,300,000 prosperous families their Best Rural Customers.

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Resists Grease



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some other job, there's a good chance Patapar can solve it—perhaps at the same time effect a real savings for you.



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DOES HUNDREDS OF JOBS WELL

Patapar works wonders as a protective wrapper for foods like butter, bacon, fish, oleomargarine, cheese. It is used for ham boiler liners, milk and cream can gaskets, artists' sketching pads, auto parts wraps, greeting cards and hundreds of other jobs.

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Dollar. Next week in Washington, government attorneys will file their appeal to the Supreme Court—which may or may not hear the case.

• **Crusader**—At first blush, the struggle of Dollar, a single private citizen, against the might of the U. S. government takes on the aspects of a David-and-Goliath contest. Actually the forces are not so uneven.

Beneath the benign, white-thatched countenance of 70-year-old R. Stanley Dollar—still a wealthy man—is a tough, shrewd, determined mind. He has made this case a stubborn personal crusade to restore to himself and his heirs their rightful heritage, to expunge the blot on the Dollar name, and to run up the famous “S” houseflag on the line's fleet in place of the spread eagle of APL.

In San Francisco, there are two schools of thought about the battle. One school holds the Dollar family to be responsible, far-sighted pioneers in the best American tradition. They brought prosperity and luster to the Pacific Coast, this version runs, and were unjustly deprived of their property by a grasping New Deal government. Another school regards them as a haughty dynasty of merchant princes who brought on the collapse of their empire by an overreaching lust for power and money. Harold Ickes is an eloquent exponent of this theory.

Both sides agree that, if Dollar wins, he will have engineered a mighty financial coup. In effect, he will have exchanged the tottering, debt-ridden \$27-million Line of 1938 for the prosperous, solvent \$60-million APL of 1950—and will have been relieved of his \$74-million debt to boot. He didn't even have the bother of seeing his company out of the red into the black. During the last 12 years, the Maritime Administration has had stewardship of APL. The company operated as a private corporation under a president and directorate appointed by the federal agency.

• **Founder**—Founder and master of the Dollar empire until his death in 1932 was Captain Robert Dollar. He was a tightfisted, stern, and pious Scot who seemed to possess most of the sharp mercantile traits ascribed to Yankee traders of the last century.

Dollar amassed his initial fortune in the forests of Michigan and the Pacific Northwest. In 1893 he ventured into coastwise shipping as a sideline to transport his lumber from Pacific Coast mills to market.

But Captain Dollar saw greater things beyond the Pacific horizon. He turned his ships westward. Outbound they carried lumber—his own—and manufactured goods and oil for the lamps of China. They returned with rich cargoes of the Far East—silk, tea, hard-

woods, copra, tin, hemp, and spices.

Next, he decided to blanket the Orient trade routes with “S” ships. After World War I, he and his sons began sending his fleet around the world. The buildup—of passenger, cargo, and mail ships—went on through the 20's.

• **Reorganization**—Up until 1928, the Dollar Line was a California corporation. In that year, under a stock reorganization plan, the operating assets were transferred to a new corporation, Dollar Steamship Lines, Inc., of Delaware. Around the Delaware corporation was organized a constellation of satellite companies with interlocking directorates.

Under the new setup, the Robert Dollar Co. was the parent family corporation. It operated the steamship line under a management contract. Pacific Lighterage Co. handled stevedoring. Olympic Oil Co. fueled the ships. Terminal companies were set up in the U.S. and the Orient. All operated as individual concerns providing services for Dollar ships at going rates.

The Maritime Commission, predecessor of the present Maritime Administration, was blunt in its description of Dollar operations of this period. In a Blue Book report issued in 1938, the commission said:

“About the time of Captain Robert Dollar's death, a milking system of holding companies, investment companies, and like devices was set up to insulate the personal resources of the principal owners from the claims of the company and its creditors.”

In 1931, R. Stanley Dollar, Robert's son, then president of the company, took another big step. With other Pacific Coast interests and the vast International Mercantile Marine, he bought control of the Transatlantic United States Lines. He was its president until he sold his one-third interest in 1934.

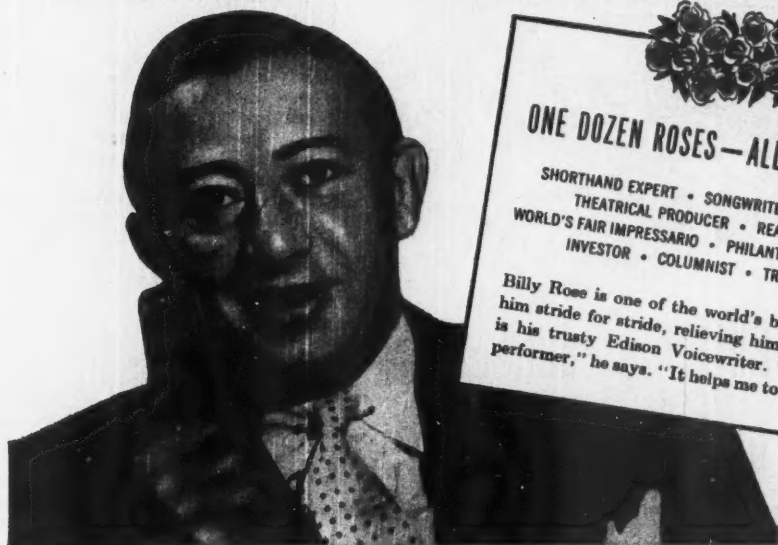
During the three years, the combine owned or controlled 181 ships of 2.5-million gross tons. It was the largest enterprise of its kind in American merchant-marine history.

• **Hard Times**—The steamship line prospered in the twenties. But the depression hit it hard. Though the Dollars had bought most of their ships from the federal government's wartime Shipping Board at bargain-basement prices, they were heavily in debt to the board, which held first mortgages on all the vessels. Net losses of \$1-million were taken in 1932 and 1933.

Recounting the company's activities of the early thirties, the Maritime Commission observed that business conditions called for the most drastic economies. They were not made, it said.

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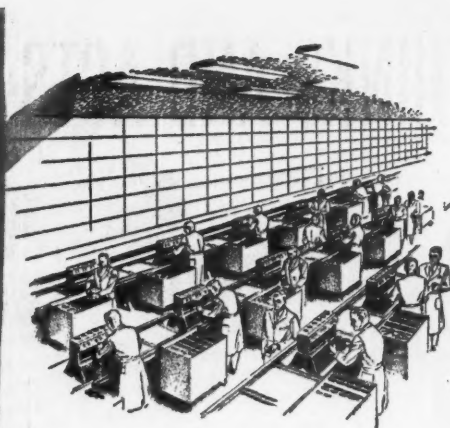
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A CENTURY OF CONFIDENCE



handsome salaries and commissions. In 1932, while Dollar Line was losing \$1-million, the Robert Dollar Co. made a profit of \$60,000 and paid executive salaries of \$135,000. Pacific Lighterage, from 1928 to 1933, showed profits of \$14-million and paid dividends of about \$1-million.

"So long as the volume of trade and freight rates kept up to predepression levels and so long as the company did not have to meet heavy amortization and fixed charges," the Blue Book stated, "these huge withdrawals did not have immediate harmful effects."

"But with the lower volume of traffic and lower freight rates which ensued it was almost immediately seen that the company, from the point of view of working capital, had been seriously weakened."

• **Fight Is On**—And so at this time a running fight began between the Dollars and the Shipping Board and its successor, the Maritime Commission.

The last act began in 1937. Dollar Line was in desperate condition and was stalked by the specter of 77-B reorganization.

R. Stanley Dollar was alone; his brothers had both died. His governmental antagonist was now the chairman of the new Maritime Commission, dynamic Joseph P. Kennedy, later U. S. ambassador to Great Britain.

Kennedy and his staff were fired with a zeal to clean up the Dollar mess. They felt they must force the recalcitrant Dollar and his associates to take a secondary position in the company until it could be shored up.

Negotiations, proposals, and counter-proposals dragged out through 1937. The Dollar Line's earned mail pay was suspended, for the most part, and during the last half of 1937 the line had to operate without assistance of any kind.

• **Grounded**—New American safety-at-sea standards had been adopted, but Dollar Line lacked the money to make necessary improvements. It had to begin tying up its ships. To cap it all, the liner President Hoover ran aground and was lost off Formosa.

A temporary subsidy was finally granted for the first half of 1938 and a partial reorganization carried out with commission representatives taking an active part in administration.

But the line's condition worsened. By the summer of 1938, only one of its ships, the President Coolidge, could obtain clearance to sail. In addition to its debt to the government, the line owed \$2-million to trade creditors, who were threatening to attach the ships.

• **Settlement**—Dollar was cornered. Faced with foreclosure or bankruptcy, he signed the agreement of Aug. 15, 1938. Its principal provisions:

WHAT'S BEHIND THIS AWARD ?



For The Fifth Time,* The Norfolk And Western Railway Has Won The Harriman Memorial Gold Medal . . . The Highest Honor In Railroad Safety.

The Norfolk and Western didn't "just happen" to win this great national honor for making the best safety record among the large Class A railroads of the United States in 1949.

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It is a story of searching ahead for ever-better and safer operating methods. It is a story of operating with constantly improved, safer facilities . . . of willingness through the years to spend hundreds of millions of dollars for an increasingly efficient, safer railroad plant.

It is a story of dependable, level-headed employees who cooperate with each other and with the management

. . . skilled workers who know that *safety is the first law of good railroading.*

The Norfolk and Western and the Norfolk and Western Family are proud of their safety records. But they will not rest on their laurels. As long as the N. & W. operates, this railroad and its employees will continue to "live, sleep and breathe" safety for the welfare of those it serves and for themselves.

During the twelve years, 1938-1949, inclusive, the N. & W. carried 32,879,700 passengers a total of 4,597,621, 431 passenger miles without a single fatality to a passenger in a train accident. In employee safety, during the same period, the casualty rate was 4.27 per million man-hours worked, which was 38% below the national average. Since 1913, when a planned safety program was started, progress in accident prevention on the N. & W. has resulted in saving 1,269 employees' lives and the prevention of 50,745 employee injuries.

* The N. & W. has been awarded the coveted Harriman Memorial Gold Medal for the outstanding safety records among Class A railroads for the years 1949, 1947, 1940, 1938 and 1926.

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(1) Dollar interests surrendered 92% of the Class B voting stock to the commission.

(2) Dollar was absolved of personal liability for the line's indebtedness.

(3) Dollar retained title to the Dollar Line name and houseflag.

(4) The Robert Dollar Co. sold its shipping assets and transferred its operating personnel to a new company, American President Lines.

Thus the Dollar family was out of the steamship business. However, they retained, and still retain, the majority of 32,000 shares of preferred stock, on which \$5 annual dividends have been paid since 1945.

In the new setup, only the top echelon of Dollar management was removed. Otherwise, the organization remained intact.

• **New Management**—The line continued to operate ostensibly as any other steamship line, except that the controlling stock certificates rested in a Maritime Commission vault in Washington. The administration in power, however, acquired a choice new political plum in the line's \$25,000 presidency.

Kennedy selected his long-time associate, Joseph R. Sheehan, as the first president of the line. Chairmanship of the board went to 76-year-old William Gibbs McAdoo, who had just been defeated after two terms as a California Senator.

• **Picking Up**—And APL began to pick up. The commission granted a five-year subsidy. An RFC loan of \$24-million supplied working capital, and an additional \$2-million was loaned by the commission to bring the fleet up to standard.

Scarcely a year had passed when war in Europe put a premium on ships.

The line's financial condition brightened. Pearl Harbor found APL with 22 vessels in operation or on the ways. All these 22 ships were pressed into military service.

Meanwhile, Sheehan and McAdoo died. Dr. Henry F. Grady, former University of California professor and Under Secretary of State, was appointed president. He picked as his executive vice-president a conscientious, capable commission attorney, E. Russell Lutz, who served till 1947.

• **Buildup**—Wartime operation poured money into APL's coffers, and by 1943 all its indebtedness was paid off. Just how these debts were paid is a question. Dollar says they were paid out of sale of assets. APL says 75% of the debts were paid from earnings, the remainder from assets.

Only three ships were returned when the war was over, and a new fleet was acquired.

Thirteen modern freighters were purchased from the commission. Two 23,000-ton passenger ships, the President Cleveland and the President Wilson, were built by the commission and chartered to the line. In 1948 contracts were signed to build three 19,000-ton round-the-world vessels. Still uncompleted, they were taken over as Navy transports last month.

• **Enter Killion**—Grady was named ambassador to India in 1947. Appointed to succeed him was the treasurer of the Democratic Committee, 46-year-old George Killion. An intense, hard-driving man, he had been state director of finance in California, an executive of Safeway Stores, and a close associate of Edwin Pauley, multimillionaire California oil man and New Dealer.

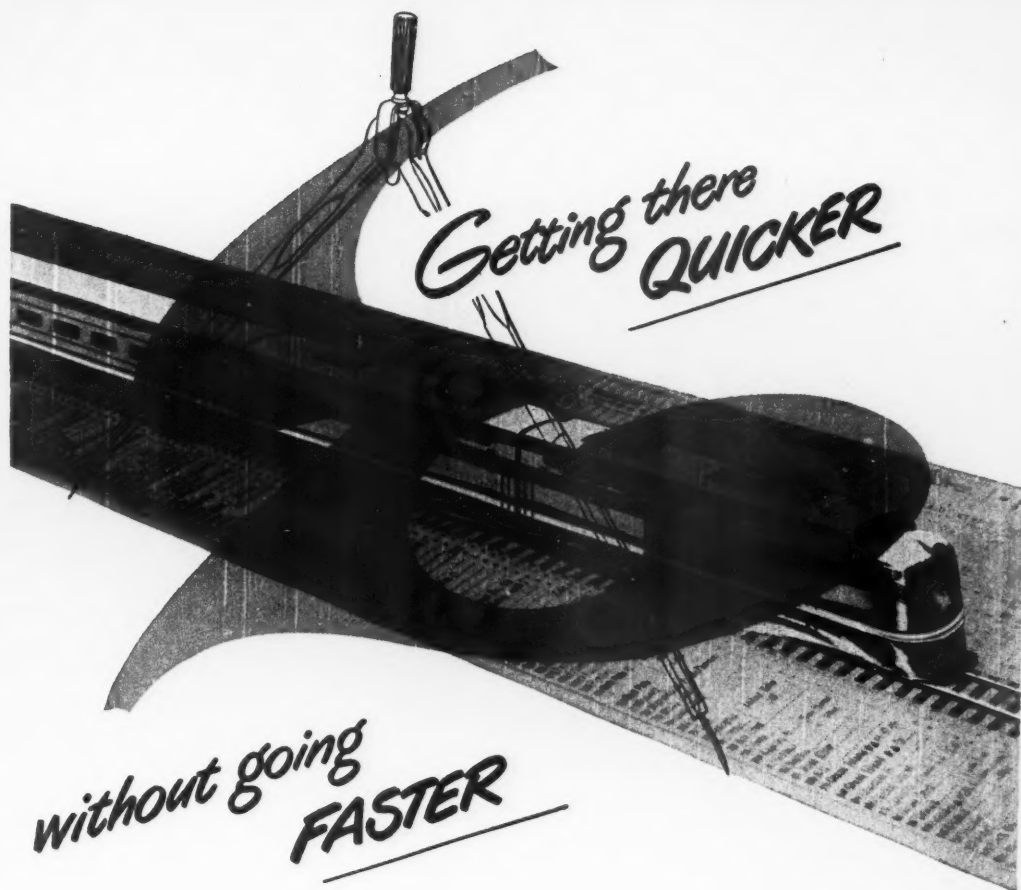
Anyone who thought Killion would



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Even the tractor part of this latest Whitehead & Kales Co. auto haulaway has to help carry cars. Two cars are stowed on the tractor, with the hood of one jutting

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plishment. Braking impulses are flashed instantly to every car in the train, permitting later application when approaching reduced-speed zones, earlier release on leaving them. The time saved in each cycle adds up to quicker arrival at destination, as well as a smoother, more comfortable ride, for you.

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collect his \$25,000 and keep quiet was in for a rude shock. Declaring that APL had grown complacent under government operation, he ruthlessly streamlined the organization.

His cost-cutting program has apparently been successful. Though APL's revenues in 1949 declined \$8-million from 1948, the net profit increased \$1.7-million.

• **Move, Countermove**—In 1945, the commission advertised to sell APL to the highest bidder. Dollar, who had been biding his time since 1943, stepped forward. He obtained a court injunction to stop the sale and filed suit against the individual members of the commission. The charge: They were wrongfully withholding his property.

The suit was taken to the U. S. Supreme Court before the case could be tried on its merits. The government maintained that the suit was against the United States, which did not consent to be sued. The Supreme Court upheld Dollar and returned the case to district court in Washington for trial.

• **Setback**—Judge Matthew F. McGuire ruled against Dollar, declaring that the commission could and did take absolute title to the voting stock. He observed:

"The plaintiffs (Dollar) were caught between Scylla and Charybdis. On the one side was disaster complete and irretrievable, which meant undoubtedly not only the end of Dollar of Delaware but in all probability, if not the end then certainly damage of an irreparable character to Dollar of California (the holding company) and its affiliates, and to the financial stability of the personal plaintiffs.

"On the other there was still hope of saving something. They decided to jettison what they could, to save themselves and Dollar of California and its associated enterprises."

• **Victory**—On appeal, the circuit court ruled:

• The language of the 1938 contract did not clearly specify an absolute transfer of title. The law of equity and circumstances of the transaction assume, therefore, that the stock was pledged only as collateral.

• The transfer was made to the commission, not to the United States, and the stock certificates were not placed in any recognized government repository.

• While the commission had the power to take property as collateral, it was not empowered to take title to property owned outright by the United States.

Jubilant Dollar declared, "Our prayers have been answered."

Maritime Administration attorneys started preparing the appeal which is due to go before the Supreme Court next week.

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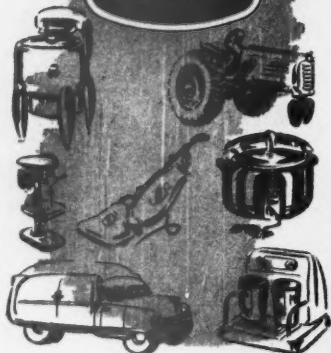
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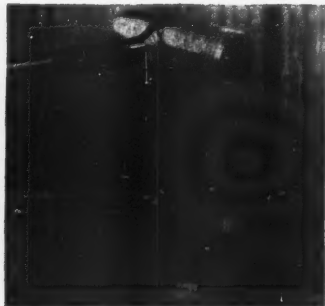


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REMOTE CONTROL is the rule in mixing the medical solutions of radioisotopes. All work is done in a fume cupboard by extension arms. Lead glass protects the technician.

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INSIDE THE FUME CUPBOARD, isotope crystals are measured into a beaker.

In the midst of the furor over the H-bomb, the peacetime uses of atomic energy have almost dropped out of sight. Yet development is going on quietly both here and abroad, particularly in the medical uses of radioactive isotopes of common elements.


• **Cancer Treatment**—Britain's atomic research station at Harwell has separate atomic piles built especially to produce these radioisotopes. And the Royal Cancer Hospital has used them quite successfully to combat cancerous growths.

Radioisotopes are unstable forms of common elements or compounds; they have been made unstable in an atomic pile by bombardment with neutrons. As they return to their stable form

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here**

they know

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AT HOSPITAL, a patient is treated for bladder tumor with radioisotope solution.

they throw off subatomic particles, just as radium does. Because of this property they can be used against cancer just as radium and X-rays can. But they're cheaper than radium and can be applied clinically in many ways.

To treat thyroid cancer, for instance, the Royal Hospital injects a solution containing radio-iodine of predetermined potency directly into the bloodstream. Because of the thyroid's affinity for iodine, all the isotope gravitates there, where it can act on the malignant tissue.

● **Internal and External**—Still another method of internal treatment is to in-



CONTAMINATION CHECK: Once a week the hospital lab is thoroughly tested to be sure that none of the furniture or apparatus has been "poisoned" by radiation.



AFTER TREATMENT for thyroid tumor, patient's neck is checked for radioactivity.

ject radio-gold, not in solution but in colloidal suspension, in the region of the cancer. Because gold forms such a coarse suspension as a colloid, it doesn't diffuse in the bloodstream, but remains at the point of injection—from which it can be withdrawn by bloodletting, if necessary.

There is also the external method, so called because the isotope is applied to the body, not injected into it. In bladder treatment, for instance, an isotope solution passes through tubes into a rubber bag inside the bladder; the bag is withdrawn when the prescribed dose of radiation has been delivered.



A LEAD-LINED WELL, way out in the country, is used to dispose of radioactive waste, such as the blotting paper that's used to protect lab tables from spillage.

BUSINESS WEEK • Oct. 7, 1950

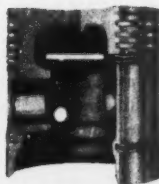
A CAPITAL "T" for TRANSPORTATION



...The T-6427

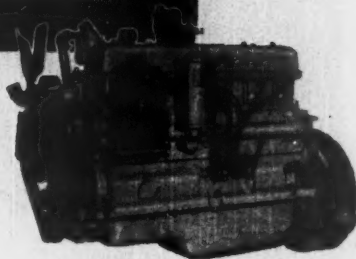


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PRODUCT OF ENGINEERING KNOW-HOW THAT DATES FROM 1902

It's Number One choice for those long, tough hauls—a capital transportation engine—this 1950 Red Seal T-6427. Latest in a long line bearing the same designation, it embodies features "engineeringly" balanced to achieve the performance characteristics required of modern transportation. More power, to maintain higher road speeds and minimize shifting on grades. Higher compression, for maximum power from modern fuels. Flexibility, for maneuvering in traffic. Smoother running, for economy, driver comfort, and longer engine life. For "tops" in ALL the factors that combine to cut ton-mile costs, it will pay you to investigate this latest, greatest "T", product of engineering know-how that dates from 1902. Write for bulletins and free information.



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Continental Motors Corporation
MUSKEGON MICHIGAN

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How?*

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- ... LIGHTER IN WEIGHT
- ... VIBRATION-PROOF
- ... RE-USEABLE

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... AND THE INGENUOUS SLOTTED CYLINDRICAL DESIGN ASSURES ...

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- Minimum shear strength exceeding cold rolled pins of equal diameters...and an overall reduction in weight of assembled unit.
- Lowered production costs through elimination of reaming and peening operations...because Rollpins are self-locking within the tolerance spread of

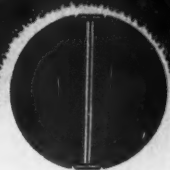
standard production drilled holes.

Rollpins are made from either Carbon Steel or Stainless Steel (also from Beryllium Copper on special order)...and are readily available from stock in sizes (diameters) from 5/64 to 1/2 inch and in standard lengths. For full information and test samples, fill in and mail the coupon at right today.

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DEFENSE BUSINESS

Contracts Shift With Costs

Armed services procurement agencies all have own ideas on price redetermination and escalator clauses in defense contracts. Standardized procedure due by March.

Munitions contracts are hard ones to set a price on. You are likely to be making something outside your regular line of business—very likely something nobody has ever made before. And delivery dates are likely to run well into the future. That's the toughest part, in a period of rising prices and wages.

The big dispute today between government procurement officers and potential contractors is this: How much price flexibility can be written into the contract to protect the munitions maker against these uncertainties. The answer is likely to depend on who is buying—the Army, the Navy, or the Air Force.

One service may permit price redetermination on negotiated contracts both up and down, and another may allow it only down; one procurement office may include an unlimited escalator clause in its contracts, and another may slap a 10% ceiling on escalation.

• **Uniform Policy**—But Defense Dept. is drafting uniform policy now. The language will be in Armed Services Procurement Regulation 16. A proposed Regulation 16 is now circulating for criticism through Army, Navy, and Air Force procurement channels. Before the final draft goes into effect—sometime next February or March—industry representatives will get a crack at it, too.

Defense Dept. procurement officials will make a strong stand for limiting price redetermination to cuts only. They think that if you allow redetermination on price increases, too, it eliminates industry's incentives to buy close on materials and components.

But chances are the regulation will end up allowing price redetermination in both directions—with special instructions to armed service contracting officers to permit price redetermination favorable to industry only in special cases.

• **Escalator Clauses**—The policy on escalator clauses will probably closely resemble that now followed by the Navy. Navy contracts put a 10% limit on cost increases. There's no limit on the amount by which the contract price may be cut due to reductions in labor and material charges.

• **Status Quo**—Meanwhile, until sometime next winter, you'll have to live

with contracting policies as they are now. Price redetermination may be only down, or both up and down, depending on which service you're dealing with. It's only used at all in contracts where a company is producing something new and has no good way of estimating costs closely. The \$45-million contract that Cadillac has for the production of the new T-41 tank is an example of this.

Most escalator clauses have a 10% limit on future cost increases, no limits on future cost cuts. With rare exception, they apply only to negotiated contracts. Exceptions are in bid contracts with steel, coal, and petroleum industries. In any case, you have to have a good argument to talk armed services into agreeing to them.

No armed service procurement office issues "price in effect at time of delivery" contracts. Even the steel industry, which traditionally deals this way, had to agree to escalator clauses as a substitute.

• **Burden of Proof**—If the contingency figure in your cost analysis allows too much—10% to 15% of the item—for future wage and material cost hikes—government contract negotiators will insist that you substitute an escalator clause. That way, budget-minded procurement officers figure they stand a chance of saving some money and are still sure of the outside cost limit to the contract. Also escalator clauses shift the burden of proof of cost increases to the contractor.

Neither escalators nor price redetermination clauses have any effect on renegotiation—government's post-contract method of recapturing profits. Renegotiation will go on just the same as it has until Congress changes the law sometime next year.

A recent Munitions Board order tells military contract negotiators not to rely on renegotiation to protect the government's interest; it tells them to toe the line on prices of things they buy, to drive a hard bargain. There are several reasons. First of all, any money that is recaptured through renegotiation reverts automatically to the Treasury. A low price in the first place means that the money will be spent for hard goods the military needs.



- The Protected Pay Envelope is a flexible group insurance plan arranged by Connecticut General Life Insurance Company to include life insurance, accident and sickness insurance, hospital, medical and surgical expense insurance and pensions, singly or in combination.
- The Plan is purposely flexible to permit employers to obtain the types of coverage they require to exactly fit their needs. It is adaptable, in whole, or in part, to both large and small business and industry.
- The Protected Pay Envelope plan is offered in its entirety, or in part, only after a careful study of each individual organization's needs is made by men who are widely experienced in employee relations. Then, and only then, Connecticut General suggests the most perfect plan to fit your particular requirements.

This is the fourth in a series of advertisements illustrating pages of our new booklet, "Business and Industry's Best Solution to Employee Security." We believe you will find this booklet helpful in planning complete group insurance programs for your organization. A request will bring a copy promptly.

Obviously, employees feel that their future is important, but even more important is the fact that working conditions, the kind of employer you are and what you are doing to better the lot of your employees, are also important. These factors are not as



important as they are to the employees. They are also important to the employer. And without that foundation, business profits are very hard to get.

I found my attorney featured me because this president who had told me this is better before that he didn't think group insurance could do him any good and that he was a personal manager, about working out a plan that would fit the needs of the people he had working for him.

One question that employers occasionally ask is whether employees will really appreciate what is being done for them when group insurance is instituted. I can say, "yes." How do I know that? Because employers who have purchased group insurance and have used it in operation have told me so. Here's what some of them have said:

"As with anything that is done, there are some kinks, some pains and some aches, but never for a minute think that the majority of employees and their families don't appreciate your efforts when you provide them with group insurance benefits."

"To most employees, group insurance means valuable protection."

(Continued in our next ad)

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Where's Warehouse Steel?

Industrial-steel warehouses didn't get the allocations they had hoped for. So they foresee hungry customers, low stocks. Inventories are already 40% less than a year ago.

Steel warehouses took no comfort from National Production Authority's allocation order this week. Industrial-steel warehouses had hoped against hope that some steel might be allocated specifically to them. It wasn't.

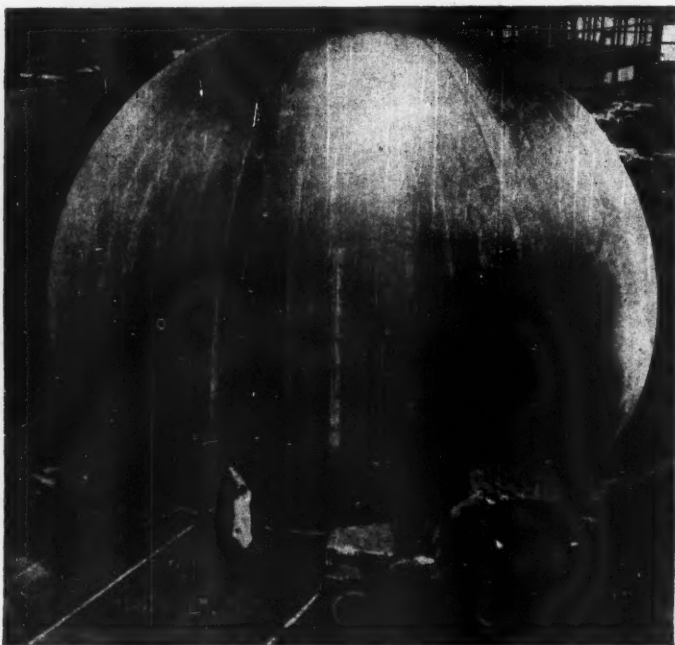
The NPA order puts priorities on steel, copper, even items that aren't in short supply, for defense, arms aid, atomic energy orders. This will mean a squeeze on everyone—including warehousemen—who will have to scramble for the rest. What they get will depend on their buying connections and on voluntary allocations of the mills.

• **Squeeze**—The 750-odd warehouses that handle industrial steel (structural shapes, plates, bars, sheet, alloys, and

the like) have a primary concern in all this. They are the biggest single factor in the warehouse business—60%. (The rest of the steel warehousing is in finished products—rails, pipe, fence, and the like.) And while their customers are clamoring for more and more steel, the mills are sending them less and less.

The big business of the industrial-steel warehouses comes from some 500,000 small users of steel, who order too little to go direct to the mills for it. Industrial-steel warehousemen are also large suppliers for military repairs and experimental projects. They're the ones who often are called on for steel in an emergency.

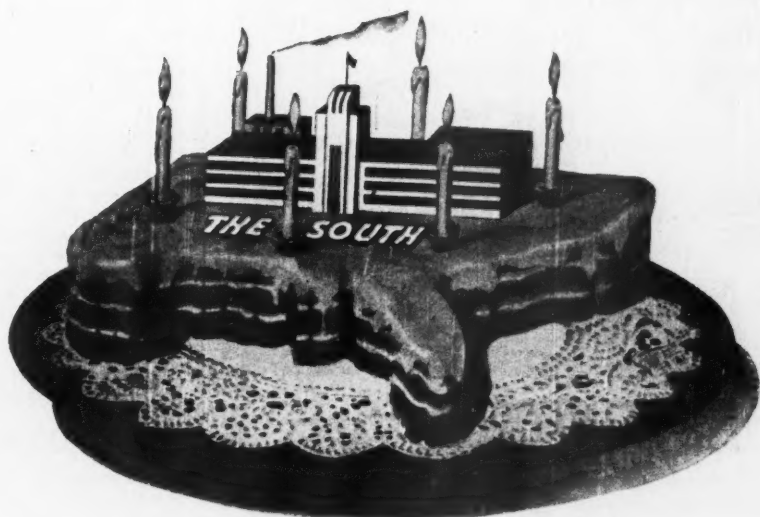
And they already have an emergency



Rubber Monster Keeps Radar Men Cozy

This new piece of military equipment is not a flying saucer—it's a radome. Firestone Tire & Rubber Co. designed it to protect radar installations from snow, sleet, and ice. It's made of rubberized fabric—either nylon, rayon, or Fiberglas—and measures 167 ft. around and 36 ft. high. Placed over a radar installation and inflated at $\frac{1}{4}$ lb. per

sq. in. above atmospheric pressure, it's supposed to withstand winds up to 125 mph. If ice and snow pile up on the outside, you just have to jiggle it a little to clean it off. But if you want to get inside when it is inflated, you have to go through an air-lock chamber. Deflated, it will fit into a canvas bag like the one on the truck.



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of their own. They don't have the industrial steel to spare.

• **Shipments Down**—During the first half of this year, warehouses got 2.9-million tons of industrial steel from the mills. But during the third and fourth quarters, the mills have been cutting their shipments way down. So far, it looks as though they'll ship less than half the 2.0-million tons to the warehouses during the second half.

• **Inventories, Too**—Naturally, warehouse inventory has been declining steadily. It was 40% less this September than it was a year earlier. (Warehouse owners started this year with an inventory that was below normal—and they have never been able to catch up.)

The industrial-steel warehouse industry says it needs 1.5-million tons as a minimum for normal inventory. It's down now to less than 1-million. And some of the stock on hand is either in slow-moving items or completely unsalable.

Reclaim Rubber Heads For 300,000-Ton Peak

Production of reclaim rubber—a grubby, unsung hero of World War II—is headed for an all-time peak of 300,000 tons this year. That would top 1943's figure of 291,082, when 36% of all rubber used in the U.S. was reclaim.

Reclaim is not a substitute for new rubber, but ever-increasing amounts of it can be used in passenger tires and other products. In World War II, reclaim played a huge part after our supplies of live rubber had been cut off and before synthetic plants had come into real production.

There's no such emergency now. But passenger tires are being produced at the highest rate in history. Prices of natural rubber are soaring, and manufacturers are not getting as much natural or synthetic as they want.

Most usable reclaim comes from old tires, with a smaller amount from inner tubes. In the current boom, the price of scrap rubber has jumped from \$13.50 a ton to \$25. But the price of reclaim has held fairly steady. In the spring, it cost around 7½¢ a lb.; today first-grade tire reclaim costs 10¢ a pound. Yet top-grade natural rubber has jumped from 16¢ a lb. to 54¢.

Tire manufacturers are the biggest users of reclaim rubber. The Big Seven of reclaim production—they account for over 80% of all reclaim—are largely offshoots of tire makers. These firms are: Midwest Rubber Claiming Co., Xylos Rubber Co. (Firestone), B. F. Goodrich Co., Goodyear Tire & Rubber Co., U.S. Rubber Co., U.S. Rubber Reclaiming Co., and Pequanoe Rubber Co.

Latex Controls

Importers must turn over 10% of their shipments to government's natural-rubber stockpile. Industry expects more curbs.

Importers of latex last week felt the restraining hand of a government anxious to stockpile natural rubber.

Importers were ordered to turn over 10% of their monthly latex shipments to the national stockpile. At the same time, industry-wide consumption was limited to 90% of monthly imports.

• **Foam Rubber**—Latex is the milky-white liquid from which foam-rubber mattresses, pillows, and similar products are made. It is the original form of natural rubber as it flows from the trees. Most natural-rubber imports are in the dried form.

Behind the restriction order on latex lies the desire of the Munitions Board to have at least 10,000 tons of latex on hand in the event of a major war.

• **Year's Supply**—At present consumption rates, that wouldn't be more than two months' supply. However, in the last year of World War II, consumption was cut to 4,600 tons. And a subcommittee of the Munitions Board's Industry Advisory Committee has decided that 5,000 tons would be a reasonable year's supply under wartime conditions.

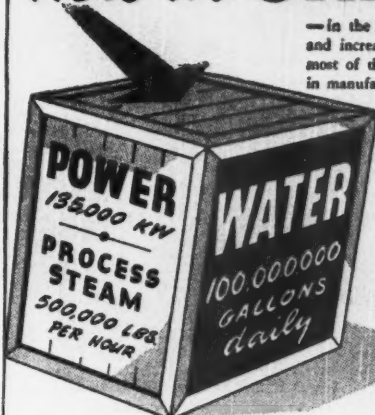
Users of latex were not much affected by the original rubber restrictions which went into effect on Sept. 1. These rules limited over-all rubber consumption, made no distinction between natural and synthetic rubber.

• **Slight Effect**—Even now, manufacturers of foam rubber do not expect to be much bothered by the latex restrictions. That's because latex imports are increasing. Manufacturers think the increase will be enough to take care of most of the 10% set aside for the government and leave them with pretty much the amount they are using now. Fourth-quarter latex imports will probably reach 16,500 tons, of which 14,850 tons can be used for production.

• **More Coming**—Further restrictions on rubber are in the cards. An order establishing specifications for the mix of natural and synthetic is expected later in the fall, with a cut in the use of natural. This would be similar to the controls used in World War II.

The National Production Authority has already announced a forthcoming allocation order on the use of synthetics. It will cover use of GR-S, GR-S latex, and butyl (GR-I). Yardstick for the new allocation will be the amount of rubber consumed by each manufacturer between July, 1949, and June 30, 1950.

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—Hydro Electric Power firmed up by Steam—Plenty of both Raw and Treated Water—Process Steam
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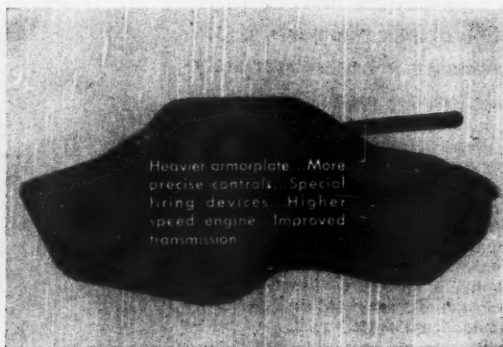
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PRODUCTION



M-24 HEAVYWEIGHT TANK of World War II wasn't an easy manufacturing problem for Cadillac, but Ordnance's newest hush-hush light tank is proving even tougher to get into quantity production.

Tanks Roll Slowly, Cadillac Finds

Production experience of World War II canceled out by new complexity of design. But red tape has been slashed.

Getting into armament production—even if you have had previous experience—will probably be tougher than you think. Superficially, armament may seem the same as in World War II; but precision warfare has brought in new concepts of design, materials, controls, manufacturing techniques. Even a relatively simple—as armament goes—product like a tank could foul up preproduction planning.

That's what Cadillac Motor Car Division of General Motors Corp. is finding out. In getting ready to make the Army's new lightweight tank at Cleveland, Cadillac brass has discovered: (1) It will probably take as long to tool up for the tank as it did last time (even though Cadillac has a wealth of experience in tank making); (2) today's tank is a highly complicated article; and (3) costs are going to be quite a lot higher because of that increased complexity.

• **Product Concept**—There are reasons, of course, for the slow start. No matter what you plan to make, whether it is a consumer product or ordnance, top brass must have a complete product concept: the job the product is expected to do; the materials of which it is to be made; the approximate service life expected of it; the possibility of "engineering changes" (a production man's bugaboo). Tanks today are no longer just gun carriers; they are a whole family of weapons carriers, personnel carriers, tank destroyers, and other types of armored vehicles. With a "family design" concept, lots of parts

must be interchangeable. That in turn complicates the tooling.

• **Trial and Error**—The vastly different approach to military problems between 1940 and today is well shown by Cadillac's experience. In the early 40's Cadillac went to work building light tanks, in effect, on little more than a minute's notice. The Army had no fixed concept of what it wanted beyond the idea of a moving gun carriage with protection for its crew—something that could run fast into enemy-held territory and disrupt the rear.

Cadillac started pretty much from scratch. A design evolved as it went along, both before and after production began. Obvious faults were corrected first—gaining room inside, arranging for mechanical movement of guns rather than manual handling, installation of radio so a team of tanks could work together.

Face-hardened armor was found insufficient and was replaced gradually by homogeneous metal—which brought with it an immense complication of manufacturing. Welding moved in as a comparatively new art on such metals, compelling redesign of sections previously considered fairly easy to make.

• **Why So Long?**—With those lessons of World War II learned the hard way, why should it take nearly as long this time to tool up and get into production?

There is much more going into today's tank than went into the same weight tanks of six and eight years ago. As a result, the tooling job is larger,

the manufacturing make-ready job more involved, the actual production cycle longer in every respect, the manpower need greater.

• **Experience**—The experience of World War II does come in handy. Had it not been for that experience, the preproduction job on today's tanks would probably have taken far longer than that same project required in the early 1940's.

Cadillac's present light-tank program goes back approximately two years, when the Ordnance department started a "Phase One" program on the light-tank job—a survey of production resources for it.

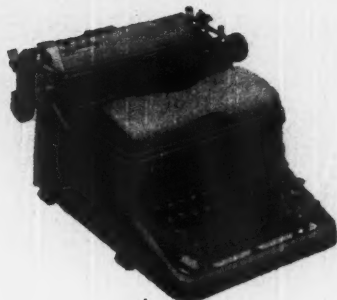
This consisted of surveys throughout the country to see what plants and companies were equipped from standpoints of manufacturing facilities, tooling availability, management skills, purchasing experience, location, and other qualifications to make them good candidates for future assignments.

Subsequently, the outlines of the entire task were blocked out—the amount of manufacturing space required and the characteristics of it; the number of tools which would be needed in various classifications; the number of administrative, technical, and production men needed; and so forth.

Cadillac was told to engineer a family of vehicles akin to the tank, not just the tank itself.

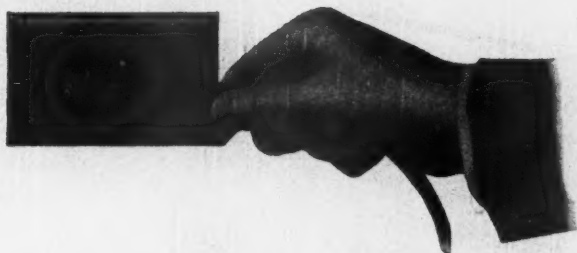
Consequently, as engineering detailing went on in both Ordnance and Cadillac, the interchangeability factor had to be kept closely in mind.

• **Years of Thought**—The job specified by Ordnance was a little harder in other respects, too. Army designs, naturally enough, reflected all the thinking which



Royal — the easiest-writing
office typewriter ever built...

now
electrified!



...the amazing new Royal Electric!

Unbelievable as it sounds, Royal again "betters the best"!

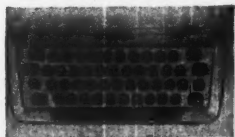
You know what excellent letters and other work the Gray Magic Royal turns out for you. . . .

You know how speedy your secretaries and typists find this No. 1 typewriter. . . .

But wait—just wait—until you see the work the new Royal Electric turns out! Just wait until you hear the comments of the people who use this machine!

Operators get greater typing ease, power, and speed. You get crisper originals; clearer, sharper carbons.

Gray Magic Royal, preferred better than 2¼ to 1 over any other make, is now electrified. The Royal Electric is the perfect answer to a multitude of typing problems.



No typing habits to change!
"Magic" Margin, tabulator key, shift keys, and other famous Royal features are identical in shape and position with Gray Magic Royal. A Royal exclusive!



No "Change-over" problems!
The operator can adjust the touch to correspond to that of a manually operated machine. Thanks to "Touch Control" — another Royal exclusive!

ROYAL

STANDARD and ELECTRIC

Made by the World's Largest Manufacturer of Typewriters

"Magic" and "Touch Control" are registered trade-marks of Royal Typewriter Company, Inc.

Cost of Handling Steel Bars Cut in Half

with **BAKER
TRUCK**

**JONES & LAUGHLIN
DETROIT WAREHOUSE
USES CRANE TRUCKS
AND PORTABLE RACKS
FOR MORE EFFICIENT
HANDLING AND STORAGE**

★ Specially designed portable sectional racks for storing steel bar and rod stock plus the use of a BAKER Crane Truck have cut handling costs by one-half at the Jones & Laughlin Steel Corporation's Detroit Warehouse. This stock was formerly stored by hand in upright position, requiring laborious manual handling. Even with overhead cranes, considerable hand labor was necessary. Previous to the purchase of the truck and the installation of the portable

racks, Jones & Laughlin used 6, 8, or more men to pile steel and fill orders. The entire operation is now handled by three men.

With the BAKER Crane Truck and sectional storage racks, costs have been halved—and the crane truck still has time to handle steel packs—a further saving not anticipated when it was purchased.

Illustration shows the BAKER Crane Truck handling steel bars stored on sectional racks set at 45° angles in 15 x 15 foot bays.

A Baker Material Handling Engineer will be glad to show you how similar savings can be made in your plant or warehouse.

BAKER INDUSTRIAL TRUCK DIVISION
of The Baker-Raulang Company

1204 WEST 80TH STREET • CLEVELAND 2, OHIO

In Canada: Railway and Power Engineering Corporation, Ltd.

Baker INDUSTRIAL TRUCKS

has been going on for these past years. To translate those ideas into detailed blueprints and into actual production later, Cadillac engineers had to surmount more problems than they did eight years ago. Armored parts being cast in the new vehicles, for example, are far more complicated than before; some brand-new techniques have had to be developed.

More tools have been needed. One problem has been that before any new tools can be bought the contractor has to sweep through all Army reserve stocks and see whether some wants can be met there.

Ordnance has decided that tanks are to be manufactured in more self-contained factories than in the past. This imposes an added problem on a management, which last time was able to subcontract far more broadly (and was supposed to do so as a matter of policy).

• **Red Tape Cut**—These complications have been partly balanced by helping Cadillac get decisions much more quickly than before. During World War II, tank manufacturers and other producers of armament were supervised by a number of different branches of the services. Changes had to be cleared through any number of people. Revisions came along slowly.

This time the Army has streamlined its procedure. The Tank Arsenal at Detroit is pretty much in charge of the whole program. Cadillac (as a prime contractor) has been given complete engineering control of what is being done.

Cadillac is drawing on the entire General Motors Corp. for manpower requirements in the administrative and technical areas. It has already tagged officials from other GM divisions, transferred them down to Cleveland and assigned them to tasks.

• **Personnel**—Don E. Ahrens, vice-president of General Motors Corp. and general manager of Cadillac, appointed Edward N. Cole, one-time chief engineer at Cadillac and more recently its works manager, as plant manager of the Cleveland tank operation. Ahrens has full authority to draw on General Motors for any kind of help he wants and anybody he wants for the job.

As soon as the contract with the Army was signed, Cole and a nucleus staff moved to Cleveland to begin to activate the huge plant in their charge. Staffing at this level was fairly routine—one man in charge of engineering, one for production, one for purchasing, and so forth. These people began to build up their tiers of organization. Hiring of production people began.

The whole job is going forward today about the same way it would if Cadillac decided, for example, that it ought to go into the complex business of making trucks.



NOT GUILTY! OF WOOD WASTE ANY LONGER

The penalty for cutting logs into boards is—slabs, edgings and sawdust. It is part of the tremendous waste that takes a 50% bite out of every tree that falls to the woodsman's axe.

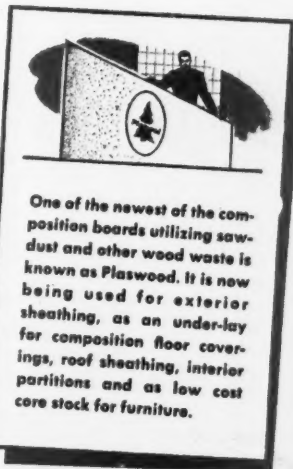
But now through chemical research this problem of waste is being solved. Panel boards of strength equaling and even exceeding top quality lumber are being made from wood waste bonded under pressure with chemical resins. The process uses sawdust, chips, scraps and even branches. Lumbermen believe that it is the start of a whole new industry, and will mean the conservation of millions of tons of wood waste hitherto lost to our economy.

This new development comes at a time when America vitally needs increasing quantities of building material. It is another step in the conserva-

tion of our timberlands, that started with the development of plywood and the use of lower grades of lumber and chemical resins to produce laminated boards of superior strength and stability.

Celanese Corporation of America is privileged to play a role in this great conservation program—supplying formaldehyde and other organic chemicals that go to make up the bonding resins.

Celanese Corporation of America
Chemical Division, Dept. 49-J
180 Madison Avenue, New York 16



One of the newest of the composition boards utilizing sawdust and other wood waste is known as Plaswood. It is now being used for exterior sheathing, as an under-layer for composition floor coverings, roof sheathing, interior partitions and as low cost core stock for furniture.

*Reg. U. S. Pat. Off.

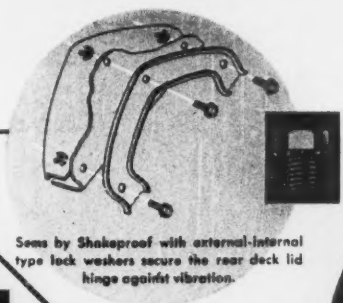
ACIDS • ALCOHOLS • ALDEHYDES • GLYCOLS • KETONES • PLASTICIZERS • SOLVENTS

*today's automobile
proves the speed
and dependability of*

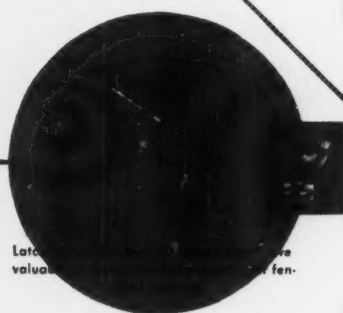
by



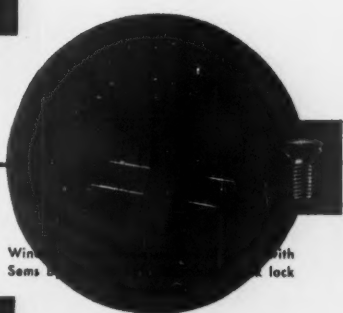
The improved fastening methods illustrated on these pages are typical Shakeproof solutions to common automotive assembly problems... more dependable, simplified, and less costly. In every case, they were developed through joint effort by automotive designers and production men, and Shakeproof fastening specialists. As examples, they serve to demonstrate the advantages achieved by close cooperation between manufacturers and Shakeproof engineers. This free fastening service is available to all manufacturers on request. Write today!



Sems by Shakeproof with external-internal type lock washers secure the rear deck lid hinge against vibration.



Let's see how valuable these Sems are for your car.



With Sems by Shakeproof, the lock is secure.

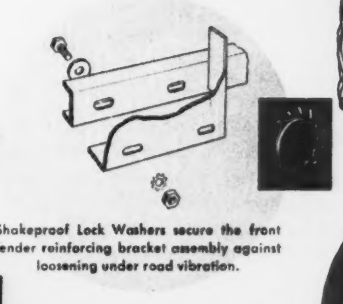


Difficult radiator grill assembly is simplified with Sems by Shakeproof incorporating modified dome type lock washers.

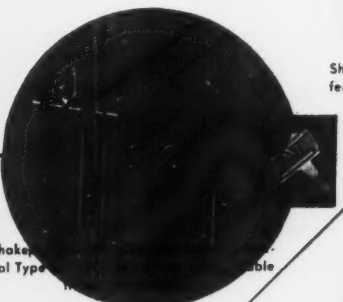
WRITE FOR SAMPLES...

SHAKEPROOF inc

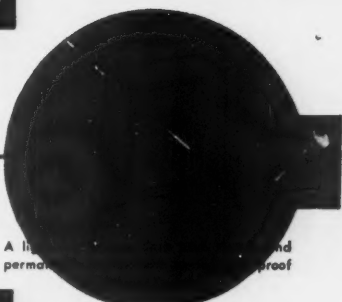
Division of Illinois Tool Works
2501 North Keeler Avenue
Chicago 39, Illinois
In Canada: Canada Illinois Tools, Ltd.
Toronto, Ontario



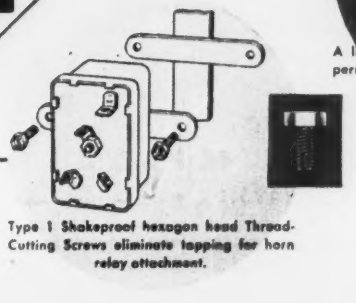
Shakeproof Lock Washers secure the front fender reinforcing bracket assembly against loosening under road vibration.



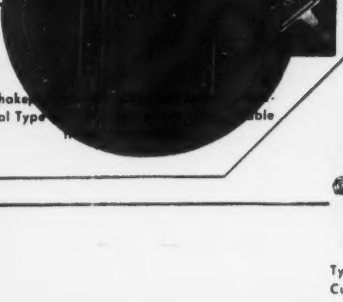
Shakeproof Lock Washers are available in many sizes.



A little Shakeproof makes a big difference.



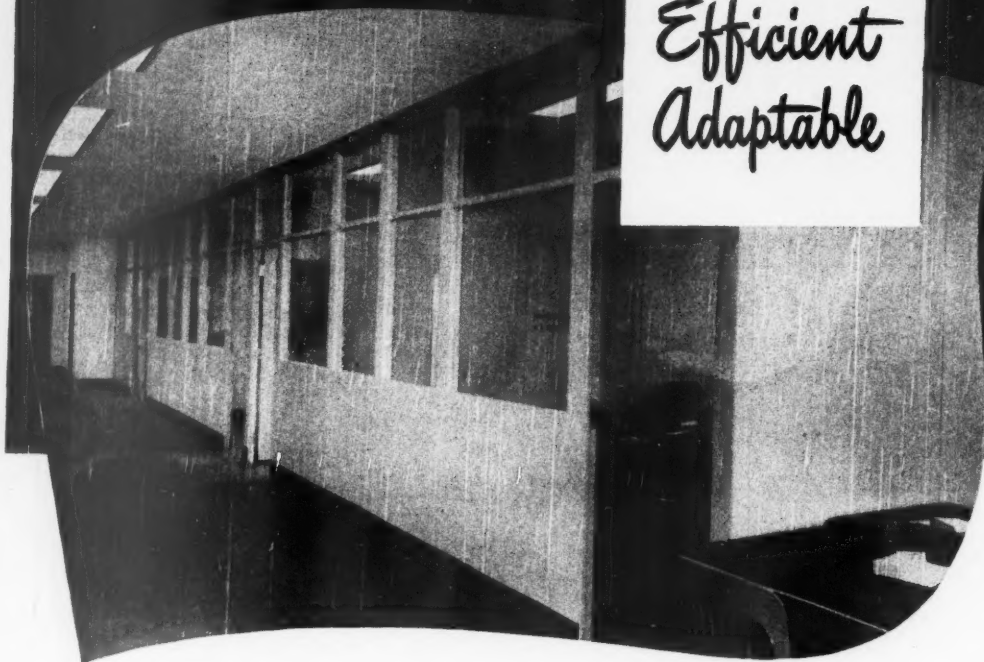
Type 1 Shakeproof hexagon head Thread-Cutting Screws eliminate tapping for horn relay attachment.



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Efficient
Adaptable*



*General Office
Motorists Mutual Insurance Company
Columbus, Ohio*



You'll find this new 48-page Mills Catalog bound into Sweet's File, Architectural, for 1950—or we'll be glad to send you an easy-to-handle copy for your individual use. Just ask for Catalog No. 50.

MILLS MOVABLE METAL WALLS are distinguished by the simple refinement of their architectural design, the permanent solidity of their construction, the pleasing soft colors of their baked-on enamel finishes that keep their fresh new look with no other maintenance than ordinary washing.

Insulated and soundproofed, with surfaces specially treated to eliminate all harsh light reflection, they create beautifully efficient business interiors.

Yet when progress requires changes in office layout, Mills Walls can be moved—quickly, easily, at very low cost—and completely re-used to fit any new space arrangement. An entire change can generally be accomplished overnight without interruption of business routine.

THE MILLS COMPANY
963 WAYSIDE ROAD CLEVELAND 10, OHIO

New Alloy for TV

Carnegie-Illinois says its latest stainless steel solves difficulties of manufacturing metal-glass rectangular tubes.

Carnegie-Illinois Steel Corp. boasted last week that its new alloy for TV tubes would simplify rectangular picture-tube making.

The steel company was referring to a new stainless-steel formulation—USS 17-TV. It costs less than previous alloys; it will mean lighter weight tubes; and it will produce a longer-lived metal-glass assembly. Eventually, Carnegie-Illinois says, it will help manufacturers to produce even bigger rectangular tubes—for example, a 325-sq.-in. size.

• **Incompatible**—Making a television tube by joining a glass screen to a metal envelope has been a trouble spot in the production process from the beginning. It's easy in theory. But in practice, steel and glass aren't compatible. Glass has a different expansion and contraction rate from most metals when they are heated or cooled together.

To Carnegie-Illinois this was simply a problem in metallurgy. So the Big Steel subsidiary started looking for a stainless steel with a rate of expansion and contraction about equivalent to glass. The new steel also needed two other characteristics: It had to be easy to form and yet strong enough to withstand the outside pressures caused by the vacuum inside the tube.

• **Expensive Chromium**—Originally, a stainless steel containing 28% chromium proved to be the only one with characteristics that closely coincided with glass. But steels with high chromium content are expensive.

Carnegie-Illinois made another try and came up with an alloy that contained about 17% chromium. This alloy answered most of the cost and production problems. But its expansion was too great at the high temperatures needed to seal the glass to the steel. Another adjustment of the basic composition of the steel—which did not change the chromium content—overcame the expansion at bonding temperatures.

• **Repeated Tests**—During the experiments, each new alloy had to be shipped to TV-tube manufacturers to see if it worked out in the actual construction of the tube itself. Before the final alloy went into commercial production, product engineering on the tube had required 90 sample heats from 30-lb. laboratory furnaces. Then to adjust laboratory sample to practical manufacture, Carnegie-Illinois turned out nine additional heats of seven tons each. In each case,



WHO ARE THESE MEN?

One of them is a trademark. The other is a **Salesman**. Together, they are building a huge success story.

Here is Russ Frantz's Detroit area operation progressive sales record percentage-wise—figuring 1949 sales as 100%.

1945	20%
1946	34%
1947	61%
1948	94%
1949	100%
1950 (first 6 months)	122%

Russ is a Salesman. He sells a great product.

We need more men like Russ Frantz . . . Men who know business methods, procedures and product application . . . Men who can sell a product they believe in. We work on a franchise basis, and a few exclusive franchises are available for distributors and subdistributors. We will grant them only to men who are capable of earning in excess of \$10,000 annually.

Unit sales of VISirecord run anywhere from \$50 to \$250,000 and over.

Executives in all types of industry have learned that VISirecord is an indispensable tool for effective business administration because it increases efficiency with reduced personnel, eliminates wasted time and work duplication—and, what is all important, pays for itself in less than one year.

We have a great product. If you can qualify, we want you!

"THE WORLD'S FASTEST VISIBLE RECORD KEEPING SYSTEM"

VISirecord, Inc.
32-36 47th Ave., Long Island City 1, N. Y.
(Offices in Principal World-Wide Cities)

These are some of the firms that Russ Frantz has sold:

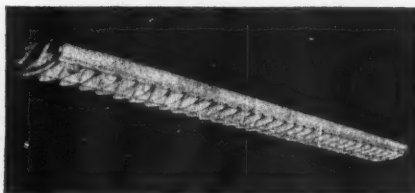
Lincoln Mercury Division Sample, Toledo and Jackson, N. Y. Chicago Continental Ref. Co.

[illegible]

Now, with every order of 25 or more Sylvania fixtures, you receive a complete written guarantee. This covers not only the fixtures, but tubes, starters, ballasts, lampholders, sockets . . . and all other parts . . . for a period of one entire year.

So, to be positive of efficient, economical lighting . . . for stores, plants, offices, and schools . . . insist on Sylvania Fluorescent Fixtures. The coupon, below, brings you complete information about the complete line. Mail it today!

The CL-283 is one of Sylvania's famous TRIMLINE SERIES. This attractive fixture meets the most exacting requirements of offices, classrooms, and stores. Equipped with two 96-inch Instant Start tubes . . . no starters required . . . easy to service . . . easy to relube.



SYLVANIA ELECTRIC

City Zone State



X-ray tubes that prove inner soundness of castings, giant transmitter tubes, television picture tubes, electronic tubes for scores of purposes—all last longer, work better because of better evacuation of atmosphere with DPi-engineered equipment.



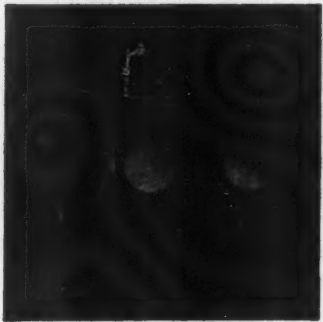
Toys, metallized wrapping materials, jewelry, sequins emerge from DPi vacuum-coating chambers—beautiful, durable, and so inexpensive that much of it can be sold over dime-store counters.



Automobile headlights containing reflectors coated under high vacuum make night driving safer. Your new car also is beautified by plastic name plates, horn button, and other interior ornamentation metallized under high vacuum.



High vacuum dehydration has greatly extended the shelf-life of vaccines and serums . . . and has thereby lowered the cost of precious pharmaceuticals.



New metals for turbo-jet aircraft engines are refined and cast in electric furnaces from which air has been evacuated by DPi high vacuum pumps.

Nothing improved these products

NOTHING means—getting rid of air and gas, creating the highest vacuum for the job.

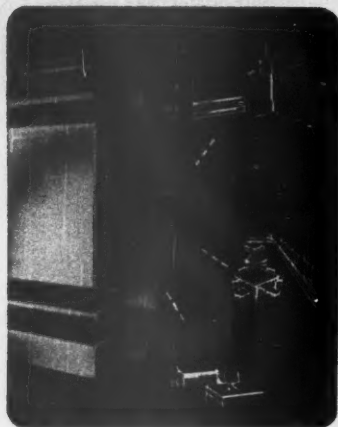
In the absence of interfering molecules of air, many products can be processed faster and cheaper, new products created, old ones improved.

Perhaps high vacuum can serve you. DPi builds equipment which makes high vacuum a practical, inexpensive production tool, applicable in many surprising ways. If you would like to learn how high vacuum can work for you, or if you wish to improve your present high vacuum operations, write to: Vacuum Equipment Department, *Distillation Products Industries*, 739 Ridge Road West, Rochester 3, N. Y., (Division of Eastman Kodak Company).

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and engineering**

DPi

Also . . . vitamins A and E . . . distilled monoglycerides . . . more than 3300 Eastman Organic Chemicals for science and industry.

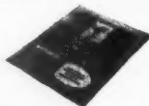


**engineered up
to performance
not down to
price**

At Dunham, nothing takes priority over product performance. First consideration is always given to quality of design, construction and materials.

Take Dunham Baseboard Radiation, for example. Its quality features assure distribution of heat to every part of the room; permit wall-to-wall carpeting; conceal all piping to give a neater-looking installation. Individual room heat control dampers effect added convenience and economy.

Dunham Baseboard is easy to install anywhere . . . in homes, offices, apartments, schools, hospitals, factories . . . in new construction as well as old. For complete information, write for Bulletin No. 639-D-7. C. A. Dunham Co., 400 W. Madison St., Chicago 6, Ill. In Canada: C. A. Dunham Co. Ltd., Toronto. In England: C. A. Dunham Co. Ltd.; London.



**DUNHAM
BASEBOARD HEATING**

DUNHAM

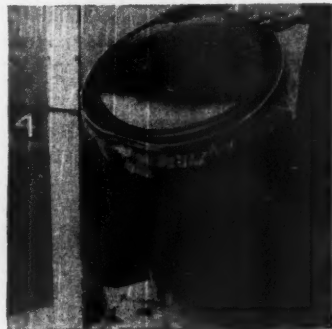
heating systems and equipment



DRUMS MADE OF FIBER can now be used for liquids up to 55-gal. size, thanks to the combination of plastic inner bag and paper boot demonstrated by worker above.



IN TESTS, drum dropped from a height was bent but sprang no leaks.



SPONGE-RUBBER gasket gives drum tight seal, stays tight under pounding.

Big Fiber Drums Can Take a Beating

Drum containers made from lightweight fiber have been used to ship liquids for years, but only up to 5 gal. Shippers of chemicals and foods have been stuck with the 5-gal. limit because larger fiber drums can't stand rough treatment en route.

• **Advanced Tests**—E. S. Schneider, materials-control supervisor of Rohm & Haas Co.'s Bristol (Pa.) plant, has developed a drum made from conventional fiber, but with a capacity up to

55 gal. or 400 lb. This heavyweight is now in the advanced stages of company tests. Despite the shattering wallops of the tests, containers loaded to capacity are standing the strain.

• **Plastic Inner Bag**—The drum, called FPEB for fiber-plastic envelope-boot, has a separate inner polyethylene plastic bag that carries the liquid (BW-Jun. 3 '50, p. 52). Normally a plastic bag inside a container bursts around the bottom seams from the strain of rough

YOUR PLANT WILL SAVE TIME with this NEW MOTOR STARTER



WITH MACHINE DOWN-TIME a big factor in your plant, when production hinges on continuous operation, make sure your key men know about this new General Electric motor starter. No other magnetic starter available today gives you so many features that add up to non-stop service. No other can match it in on-the-job life tests. Bulletin GEA-5153 gives the full story. Write for the copies your people will need to Section 730-15, Apparatus Department, General Electric Company, Schenectady 5, N. Y.

THE NEW G-E MAGNETIC STARTER is of the vertical lift type, with fine-silver contacts that never need dressing. Friction is reduced to the point where millions of operations are possible without maintenance. The exclusive "Strongbox" magnet coil is completely encased in plastic for years-long protection against moisture and mechanical damage. More than any other electrical device, motor starters are the key to continuous production. See to it that the men who buy starters in your plant specify General Electric.

You can put your confidence in—
GENERAL  **ELECTRIC**
730-15

Your keenest competitor knows... that



no matter how well established his business may be, nothing can damage it more than better equipment and better methods in the hands of an aggressive rival!

He also knows that unless YOUR equipment and methods are "up-to-the-minute", YOU cannot continue to sell YOUR products at competitive prices.



Photos courtesy
Saco-Lowell Shops



Saco-Lowell Shops—prominent builders of up-to-the-minute textile machinery—are lowering shop costs and improving their competitive position by using pace-setting Jones & Lamson turning equipment.

Take the big 10" x 5" **ROVING FRAME** textile machine shown here. Featured among its many improvements are cut-tooth bobbin gears which are completely turned, formed and bored at the rate of 70 pieces per hour on a bank of three J&L 8" Fay Automatic Lathes, tooled with carbide throughout, and operated by one man.

These improved gears greatly reduce operating noise, last longer than cast tooth gears—and, thanks to top-flight methods, they can be produced at a competitive cost.

ARE YOU EQUIPPED TO YOUR BEST ADVANTAGE? Write to our Production Research Department for a free check-up on your present turning operations.

JONES & LAMSON

MACHINE COMPANY Springfield, Vermont, U.S.A.



MACHINE TOOL CRAFTSMEN SINCE 1835

Turret Lathes—Fay Automatic Lathes—Thread Grinders—Optical Comparators—Threading Dies

handling and from the pressure of the liquid. So to bolster the bottom seams and prevent breakage, the bottom of the bag is shod in a creped kraft-paper boot. The boot extends up about one foot from the bottom, is slightly larger around than the bag.

Schneider's development also has a sealing device that allows the drum to be opened repeatedly. The plastic bag laps over the metal rim at the top of the drum. Over this goes an overlapping disc of the same plastic material. The whole works is capped with a lid equipped with a sponge-rubber gasket on its underside. As the lid is pressed down, the gasket clamps down the overlapping plastic bag and its plastic disc, makes a tight seal.

• **Licensing Fee**—Rohm & Haas is already licensing use of the drum to other industries at a fee of \$15 for any number of drums. The drum is cheap compared with heavier steel or wood containers. Its fiber-plastic makeup is a life saver to shippers who feel the scarcity of sheet steel. And there's less weight running up freight costs.

Right now use of the drum still requires test-shipping permits issued by the classification committees of the railroads and truckers. Blanket permission has not been given.

Inventor Schneider and his firm have found themselves building customer friendship in unexpected ways. Customers are using the drums as trash containers around their plants or collecting the resale price of about 50¢ each. What's more, customers' employees are heat-sealing the plastic liner-bags with ordinary electric irons, thus making covers for household products and outdoor equipment.

Production to Start On New Synthetic Fiber

Chemstrand—one of the newest synthetic textile fibers (BW—Mar. 25 '50, p73)—is getting set for commercial production. The fiber, derived from acrylonitrile chemicals, has up to now been produced only in lab-sized quantities.

But last week, Chemstrand Corp., jointly owned by Monsanto Chemical Co. and American Viscose Corp., announced that a multimillion-dollar plant to produce the stuff would be erected on a 656-acre site just west of Decatur, Ala. Construction will start next spring. Chemstrand is already set to begin operation of its semiproduction plant at Marcus Hook, Pa.

The announcement of the new plant and the start of Marcus Hook operations tie in with Monsanto's recent announcement that the company will expand its acrylonitrile production with a new plant at Texas City.

(Advertisement)

WHAT'S DOING IN DALLAS

New Figures Highlight Growth of Dallas

Metropolitan area, grown phenomenal 53.3 per cent in decade, is No. 1 wholesale center in South, No. 1 in postal receipts, No. 1 in airline activity. Dallas Southwest region hits 18,346,516 pop.

Income rose sharply again in July; it's getting to be a habit.—BUSINESS WEEK, Sept. 2, 1950, reporting on "Dallas Region" (Eleventh Federal Reserve District) in BW Regional Income Indexes. "Dallas" index, 309.8, was highest in U. S.

Growth of manufactures in the Southwest—the least industrialized of any region except the Northwest—is probably the key factor underlying its post-war progress. The region's 41-per cent increase in factory payrolls from 1946 to 1949 was double the national rate.—Survey of Current Business, U. S. Dept. of Commerce, Aug., 1950.

■ A census year makes statistical soul-searching timely. This is doubly so at the 1950 mid-century mark.

Statistics on Dallas and the regional Dallas Southwest it serves (including Texas and all or part of six other states) are on the refreshing side of growth, vigor, and optimism.

■ **Population** (preliminary census): Dallas, 432,927; Dallas County (metropolitan area), 610,852; Dallas-Fort Worth area (about 30-mi. radius), 970,098; 100-mi. radius Dallas, 2,058,394; 200-mi. radius, 5,192,184; 300-mi. radius, 10,283,036; Texas, 7,672,432; Dallas Southwest, 18,346,516 (integrated market comprising Tex., Okla., Ark., La., N. Mex., Miss., 26 western counties Tenn.).

Metropolitan Dallas has grown 53.3 per cent since 1940 (increase of 212,288 persons); Dallas is now the largest inland city in the U. S.; the two-city, two county Dallas-Fort Worth area with about a million people is today the largest urban concentration in the South.

■ **Buying power:** Per capita Dallas effective buying income, 1949, \$1,653, largest of any city in Texas (*Sales Management*); retail sales, 1948, metropolitan Dallas, \$708,545,000, a 276 per cent increase over 1939 (1948 Census of Business).

Dallas ranked first among the 32 largest

U. S. cities in retail percentage growth, 1939 to 1948.

■ **Wholesale market:** Dallas*, \$2,197,642,000, 1948, a 358 per cent increase over 1939, to make Dallas* No. 1 in South in wholesale sales. Comparisons: Atlanta*, \$2,145,289,000; Houston*, \$1,672,754,000; New Orleans*, \$1,276,098,000, 3 counties, exclusive St. Bernard Parish.

■ **Postal receipts:** Significantly, postal receipts reflect Dallas' regional position as a marketing city of home and branch offices, a shipping base, etc.

In 1949, Dallas receipts totaled \$11,940,227, passing Milwaukee and Atlanta for 17th place in the nation and No. 1 in

*Metropolitan area.



THINK OF DALLAS

... and you think of beautiful girls. Gloria Feitler, 22-year-old Dallas native, was graduated last year from Southern Methodist U., where she was a "Rotunda (yearbook) beauty." Since April, she has been employed as a hostess on Braniff International Airways flights; one of her runs is Chicago to Dallas, Braniff's home base.

the South. This year, postal receipts in Dallas are running well ahead of 1949 (1st 8 mos., 1950, \$8,225,922; 1st 8 mos., 1949, \$7,442,611).

■ **Air traffic:** Here Dallas' predominance sharply spotlights the city's crossroads character on the U. S. map.

In 1949 (latest available CAA figures), Dallas not only was No. 1 in the South in enplaning airline passengers, but the Dallas total (413,076) exceeded the combined total of such Texas cities as Houston, San Antonio, Fort Worth, El Paso, Beaumont, Port Arthur, and Galveston (combined, 411,465).

Also, 1949: Tons of airmail, Dallas, 2,345.1; Houston, 762.4; New Orleans, 861.0; Atlanta, 1,618.3. Air cargo, Dallas, 5,135.3 tons; Houston, 978.1; New Orleans, 1,505.0; Atlanta, 5,072.6.

Each year since 1940, Dallas has led the nation in number of airline passengers per capita.

■ **Manufacturing:** Value added by manufacture, Dallas*, 1947, \$238,995,000, a 289 per cent increase over 1939. Estimated manufacturing employment Dallas* projected as of Dec., 1950—59,120 (Texas Employment Commission); compare 1940—26,700 manufacturing employed.

■ **Manufacturers' sales branches, offices:** Sales and receipts, Dallas*, 1948, \$963,433,000, to make Dallas* a "billion-dollar branch market."

■ **Manufacturing construction, 1940-49:** 12,353,000 sq. ft., Dallas County (F. W. Dodge Reports).

■ **Employment:** Total non-agricultural, mfg., and non-mfg., Dallas*, projected as of Dec. 1950—261,780.

■ **Take some other good yardsticks of Dallas growth:** Telephones, 230,018, Aug. 31, 1950, compared to 98,122 in 1940; bank deposits, \$1,204,391,065, June 30, 1950, No. 1 in Texas (1940, \$310,500,247); electricity, 858,999,915 kilowatt hours consumed, 1949 (314,025,814 in 1940); natural gas, 23,042,240.4 thousand cu. ft., 1949, approx. double 1940; and housing, 9,238 new dwelling units either completed or under construction during 1st 8 mos., 1950, compared to 8,508 completed in record-breaking 1948.

DALLAS BRIEFS

The State Fair of Texas (world's biggest) opens in Dallas today (Oct. 7) for a 16-day period.

Dallas has been designated as location of a new regional Census Bureau office, covering Tex., Ark., Okla., La., and N. Mex.

Dallas Real Estate Board

paid for this advertisement for the Dallas Chamber of Commerce. It is the tenth of a monthly series to keep you posted on Dallas, the city of opportunity in the Southwest. Would you like copies of this advertisement, others in the series, or other information? Address:

Dallas Chamber of Commerce
Dept. B—Dallas 2, Texas

UNION TERMINAL

(Thumbnail sketch of a Dallas institution)

By Julian Stag

Union Terminal, owned and served by eight railroads, is conveniently the only rail passenger terminal in Dallas.

When it was opened in 1916, it ended the kind of confusion of scattered depots which still plagues many large American cities.

Two years ago, Union Terminal got a \$1,500,000 "new look." A modernization included a new ground-floor waiting room, escalators serving an overhead restaurant, barbershop, etc., area and a system of

underground ramps from street level to trains.

At the terminal, familiar sights are trains like the Texas & Pacific's Texas Eagles or the Katy's Texas Special, Rock Island's Texas Rocket, Santa Fe Chicagoan and S. P.'s Sunbeam, or the Frisco's Black Gold, Cotton Belt's Lone Star, Ltd., and Burlington's Texas Zephyr.

Some 38 passenger trains come or go in a 24-hour period; 17.7 miles of tracks are operated; between 45,000 and 60,000 sacks of mail, or equivalent, are handled daily; 450 people are employed.

Home to Management

How Can You Reduce Costly Errors in PERSONNEL SELECTION?

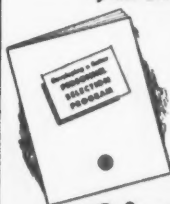
An error in the selection of personnel can cost your company anywhere from \$1,000 to \$100,000, depending on circumstances.

To reduce costly errors in selection, more than 500 companies are now using improved techniques for selecting executives, salesmen, office and plant personnel. Developed by Dr. Robert N. McMurry and based on the sensible "Patterned Interview," these procedures enable you to select from available applicants those most likely to prove productive, stable, loyal, and promotable.

To make these improved selection procedures available to more companies, Dartnell will soon sponsor Dr. McMurry and his staff in a series of intensive 2-day training conferences. Executives attending these conferences will receive such intensive training that on their return they can put these improved selection procedures into use at once. The registration fee is \$110 per executive. Meetings will be held as follows:

NEW YORK—Oct. 20 and 21—The Elmhurst Hotel
 BOSTON—Nov. 9 and 10—The Elmhurst Hotel
 CHICAGO—Nov. 16 and 17—The Blackstone Hotel
 ATLANTA—Nov. 20 and 21—The Atlanta Elmhurst Hotel
 OKLAHOMA CITY—Nov. 21 and 22—The Elmhurst Hotel
 DENVER—Nov. 26 and Dec. 1—The Brown Palace Hotel
 KANSAS CITY—Dec. 4 and 5—The President Hotel
 MINNEAPOLIS—Dec. 7 and 8—The Woodland Hotel
 HOUSTON—Dec. 11 and 12—The Shamrock Hotel

Free Booklet



Send for this free illustrated booklet which shows how these improved selection procedures work. Also indicate if you are interested in registering any of your executives for these 2-day, intensive training conferences.

The Dartnell Corporation

For 11 years, The Dartnell Corporation has served industry with a nation-wide business research organization specializing in management methods.

NEW PRODUCTS

Multicolor Paint

You still can't buy striped paint, but you can now get it speckled. United Lacquer Mfg. Corp. has an enamel, called MultaColor, that applies two or more colors in one coat. On walls and furniture MultaColor produces a speckled or broken surface, as if a base coat had been lightly sprayed with another color.

The finish comes in 16 color combinations, including brown-white, tan-

white, green-white, light blue-dark blue, pink-white, red-gray-white.

The enamel needs no primer coat, except when put on metal. UL says it works well on porous materials, makes an attractive finish for beaver, asbestos, and composition boards. You can apply it with either brush or spray gun. Available in flat, semigloss, and gloss, MultaColor costs slightly more than conventional enamels.

• Source: United Lacquer Mfg. Corp., 1001 W. Elizabeth Ave., Linden, N. J.



1 PUSHOVER GATE

for the tired truck or car driver is made by Hawley Mfg. Co., 1130 Lockwood Drive, Houston, Tex. It pushes over in

either direction, saves the driver from stopping and getting out. Called Push-Over Automatic Gate, it works even when a car hits it at 45 mph. Cost ranges from \$120 to \$180, depending on width of road.



2 HINGED at the base to steel-pipe posts, with grease fittings, the gate starts down as car bumper pushes. Wheels press gate flat against slab of concrete.



3 HYDRAULIC DEVICE holds gate down while car passes over. Springs, checked by the device, slowly pull gate erect a few seconds after rear wheels are clear.



Easy-to-Maintain Press

Press downtime can be costly in round-the-clock production. To ease this headache, E. W. Bliss Co. has developed below-the-floor-drive eccentric presses that are designed for continuous heavy-duty operation and quick maintenance.

Some of the features: Bearings are placed for easy servicing. The pneumatic friction clutch needs no adjustment. Clutch plates are arranged for rapid heat dissipation, and you can replace worn-out plates quickly without disassembling the clutch. Sideposts have skirts at connection joints to keep dirt and scrap from creeping into the drive box. The underdrive feature also saves headroom in the plant.

Developed with the help of automotive engineers, the press comes in 63 sizes. Capacities range from 300 tons to 3,000 tons, and bed areas from 72 in. x 48 in. to 300 in. x 108 in.

• Source: E. W. Bliss Co., 1421 Hastings St., Toledo 7, Ohio.

Plastic "Springs"

Plastics are edging into still another field—mattress manufacturing. Susquehanna Mills, Inc., has introduced a springless mattress core made of air-filled cubes of vinyl film. The finished twin-bed mattress weighs around 35 lb., which is less than the conventional innerspring mattress.

The twin-bed size has 136 plastic cubes, individually scaled. In case of air leakage, you can replace single cubes. SM says the mattress core survived 250,000 squeezes by a 250-lb. roller.

The Air-Cloud Mattress will sell for about \$70. It won't be available, though, until early in 1951.

• Source: Susquehanna Mills, Inc., 404 Fourth Ave., N. Y. (for core only).

strip fed from coils

FOLLANSBEE COLD ROLLED STRIP is furnished in continuous coils for direct feeding into automatics. This time-saving method of supplying material to stamping and forming machines is a big step toward increased production.

turns an automatic machine

FOLLANSBEE COLD ROLLED STRIP is widely used in plants manufacturing toasters, tractors and television equipment where high-speed automatic machines turn out parts in astronomical numbers. Continuous feeding from coils is essential to maintaining volume.

into a productioneering team

FOLLANSBEE COLD ROLLED STRIP is furnished to specification—custom-made strip steel in coils suitable for a multitude of productioneering operations. Call the Follansbee Steel Representative nearest you for details on temper, finish, coil sizes, et cetera.

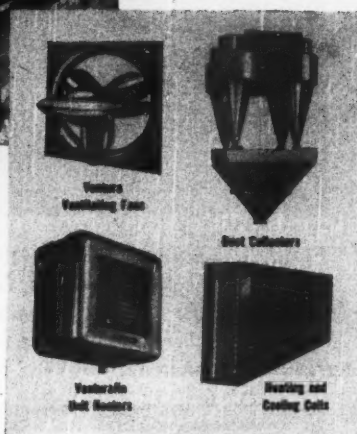


American Blower—a time-honored name in air handling



In New Orleans, as in other cities, American Blower Air Handling Products serve commerce, industry and public utilities. For air handling data in New Orleans, call American Blower—Raymond 8936. In other cities, consult your phone book.

Look before you buy. Comparison tests prove the superiority of American Blower Products. There's a big difference in quality, design, quietness, operating costs and efficiency between American Blower and other air handling equipment.



Air is free . . . use it profitably!

SELECTING quality equipment for a job is a great satisfaction. At times, however, it's a problem to judge whose equipment is right for the job. And on that score we'd like to suggest these five points to guide you in your selection of air handling equipment:

- (1) Is the proposed equipment built by an experienced manufacturer?
- (2) Has the manufacturer facilities for research and testing?
- (3) Are units tested in accordance with the Standard Test Code?
- (4) Are the services of experienced engineers available in the field?

(5) Will the manufacturer (if practical) furnish equipment for test? If you consider the merits of the air handling equipment for your job in the light of these points, we're certain you'll agree that American Blower offers more value per dollar invested.

Phone our nearest branch office for data or consult your Heating, Ventilating and Air Conditioning Contractor.

AMERICAN BLOWER CORP., DETROIT 32, MICH.
CANADIAN SIROCCO CO., LTD., WINDSOR, ONT.

Division of AMERICAN ROBERTS & Standard Machinery Corporation

YOUR BEST BUY

AMERICAN BLOWER

AIR HANDLING EQUIPMENT

Serving home and industry

AMERICAN STANDARD • AMERICAN BLOWER • CHURCH SEATS • DETROIT LUBRICATOR • KENAWEE BOILERS • RUSS HEATER • TONAWANDA IRON

NEW PRODUCTS BRIEFS

Snag resistance of nylons is three to nine times greater when they're sprayed with Ny-longer, according to Macy's Bureau of Standards. One can costs \$1.98, gives 70 sprays, with one spray lasting through three washings. Manufacturer: Ny-longer New York, Inc., 97 Horatio St., N. Y. 14.

"8,000" Tool-Plastic, a liquid phenolic casting resin, reportedly doesn't shrink, saves up to 50% in casting costs and time. It's made by Durez Plastics & Chemicals, Inc., North Tonawanda, N. Y.

Dura-Thumb work gloves, manufactured by Richmond Glove Corp., Richmond, Ind., have no seams between thumb and palm. Result: longer glove life.

Universal Roentgen Meter that attaches to detection devices and measures all types of atomic radiation is Westinghouse's latest.

Repair link for broken chain belts has a hook lip that locks with adjoining links after a few hammer-blows. Distributor: Holly Sales Co., Storm Lake, Iowa.

Installing fluorescent lamps is easier with Lok-Cyde, a 25¢ device that guides terminal pins into the sockets, then locks the lamp in place. Made by Edison Electrical Co., 355 Weybosset St., Providence 3, R. I.

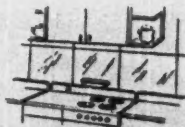
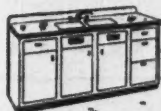
A carburetor cleaning kit, costing \$1.25 and made by Crispy Chemical Corp., Worcester 4, Mass., cleans while you're driving. It's easily attached.

Production parts, such as gaskets and tubing, can be fabricated from a silicone 161 rubber compound, manufactured by Stalwart Rubber Co., Bedford, Ohio.

An electronic smoke alarm system that reportedly covers areas 200 ft. long and 30 ft. wide comes from Valley Forge Safe-Eye Alarm Service, Lansdale R. R. 1, Pa.

A packaging material, called Chippa-flex VPI, contains a compound that keeps steel or aluminum from rusting. It's marketed by Chippewa Paper Products Co., Inc., Chicago.

A mothproofing compound, Dapex, applied during dry cleaning, makes clothes moth-resistant for six months. It's a development of Davison Chemical Corp., 20 Hopkins St., Baltimore 3.



Here's a top material that tops them all

CONOLITE*

Continental's thermosetting plastic laminate is unharmed by boiling water, fruit acids, grease or alcohol—has high resistance to scratching, chipping, marring—offers colorful beauty and long years of trouble-free service.

Remember the name—"Conolite." Particularly if you manufacture tables, cabinets, sinks, counters or furniture. You will find that "Conolite" decorative laminated plastic is easy to fabricate and can be readily bonded to wood, metal and other core materials.

"Conolite" also means industrial lami-

nates available in paper, cotton, glass, and asbestos grades. Flexibility in production, and superior electrical properties, including high heat-and arc-resistance, make "Conolite" the most versatile laminate available for electrical insulation.

Most important, "Conolite" is made by the Plastics Division of Continental Can Company—one of the largest plastics plants in the world. That means a dependable source of supply, constant quality control and the services of a staff of expert plastics engineers.

*Reg. Trade Mark

CONTINENTAL

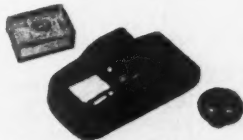
Plastics Division



CAN COMPANY

Cambridge, Ohio

MAKERS OF: Tin Cans • Fibre Drums • Paper Containers • Steel Containers
Plastic Products • Crown Caps and Cork Products • Decoware • Machinery and Equipment



Custom molding, too!

Continental has the capacity, the engineering and research staffs to handle any plastics-molding operation from the idea to the precision-finished part. Today many of the largest manufacturers in the automotive and electrical industries are Continental customers. Remember, no matter how big or small your operation is—if it's a molding problem—it's our baby!

Electric or Gas
Industrial Trucks?



Special E-P "Pallet Retriever" in boxcar

● Elwell-Parker offers you unbiased advice, backed by 44 years' experience, on whether you need gas or electric trucks. On steady, intra-plant service, E-P battery trucks cost much less, for fewer moving parts reduce maintenance. However, gas trucks are often practical for: 1. Long or outdoor runs; 2. Seasonal operations; 3. Infrequent starting in operating cycle. Your man will explain this more fully.

E-P trucks are serving in 300 industries. Most of those sold in the last 44 years are *still on the job*. Over 50 models, "tailored" to individual needs.

FREE

BOOKLET

on Scientific Materials Handling. Ask for "Industrial Logistics". Write The Elwell-Parker Electric Company, 4010 St. Clair Ave., Cleveland 3, Ohio.



ELWELL-PARKER

Power Industrial Trucks
Since 1906

MARKETING

Don't Count Antitrust Out

Antitrust laws will be relaxed to speed production, as they were during World War II. But this time the Attorney General will have more to say about what happens.

Very quietly, and out of deference to Korea, the government antitrusters have shelved their plans to split up U.S. Steel (BW—Jun. 10 '50, p19).

You might conclude that the U.S. is going to follow about the same antitrust policy it did in World War II—when the antitrusters were told to lay off: Cases already on the books at the outbreak of war were dropped for the duration, and Congress gave businessmen and government officials the green light to do a lot of things that otherwise would have been flagrant violations of the antitrust laws.

You can, if you want to, read the same conclusion from the resignation as head of the antitrust division of the Justice Dept. of Herbert Bergson, who built a record as a vigorous trustbuster in his two years as Assistant Attorney General. He left the government last week to open a private law office in Washington. Named acting chief to succeed him was William Amory Underhill, Bergson's first assistant since June, 1948.

● **Difference**—Now the antitrust situation appears to be shaping up much the same way—with one important difference. It's largely a difference of degree. Unless we have an all-out war, it looks as though the antitrusters will still be with us, at least in the role of watchdogs. Here's why:

● There's a feeling around Washington that the present situation, involving no all-out war effort, does not call for as much of a blackout of antitrust as that in World War II.

● There is no clear indication so far that the antitrusters intend to postpone cases—other than U.S. Steel—now on the books.

● Defense legislation has given the Attorney General more say-so than last time about what will and won't go.

● **Foot in the Door**—In World War II, it only took a nod from government production chiefs or the military to bypass the antitrusters. This time the Attorney General has a foot in the door. He gets it in through the voluntary allocation programs that will be set up by the government in cooperation with industry. Congress provided that 10 days before any voluntary allocation program can be put into effect—"infor-

mally" or otherwise—the program must be submitted to the Attorney General for his approval.

Only with J. Howard McGrath's specific O.K. is there any exemption from the antitrust laws for businessmen who cooperate with officials administering the new mobilization program. Companies get no automatic exemption just because their officials are called in by Secretaries Sawyer, Chapman, or Brannan.

Congress saw no need to write an explicit exemption from the antitrust laws for businessmen complying with mandatory allocation orders from the government. No one can imagine a prosecution for obeying a priority order. But there's always a chance the antitrusters might think a businessman had gone further than the government required him to.

● **Insurance**—For lack of certainty on this score, many businessmen prefer to steer clear of mandatory orders. Most would, of course, tend to shy away from tight government controls in any case, but the antitrust factor adds another incentive. Businessmen figure that a definite stamp of approval from McGrath is good insurance against future antitrust liabilities growing out of government control directives.

The need to clear with the Attorney General is one reason why there was no sudden, overnight announcement of allocation programs following the first industry meetings held on critical materials—steel, copper, aluminum, chemicals, etc.

The steel company presidents who met with Sawyer on the first day of his new National Production Authority were aware that without a go-ahead from McGrath anything they might agree to do could wind up as a black mark on the records kept at the Justice Dept.'s antitrust division.

● **Congress' Intention**—The antitrusters underscore this final passage in the "statement of policy" that precedes Title I of the Defense Production Act: "It is the intention of Congress that the President shall use the powers conferred by this act . . . within the framework, as far as practicable, of the American system of competitive enterprise."

The law even requires that each re-

quest for exemption must be published in the Federal Register—thus giving official notice to the public of what's going on.

Congress knew what it was doing when it wrote these provisions into the new law. With an election coming up, the antitrusters in the Administration had little difficulty getting the specific provisions into the law.

TV Ruins the Gate But Boosts the Take

The Joe Louis-Ezzard Charles fight last week didn't draw much of a gate. Only 23,000 paying customers clicked through the turnstiles at New York City's vast Yankee Stadium—a mere nothing compared to the 88,000 who had jammed their way into the same ball park back in 1935 to watch Louis knock out Max Baer. It didn't even look good up against the 34,000 who watched him beat Galento in 1939.

You would think that at least as many people would show up to see Louis try a comeback as to see him knock out Galento. And evidently the promoters thought so, too, for they hired the Yankee Stadium when the crowd could very nearly have squeezed into Madison Square Garden.

• **Villain or Hero**—For the villain in the piece you don't have to go very far, of course—it's television. Just how many millions watched the fight over the CBS network you can guess by the fact that a special TV Hooperating gave it a rating of 68.4.

But before you judge television too harshly, there's this interesting fact to consider: Despite the poor showing at the gate, the Louis-Charles fight had a pretty good over-all take of about \$345,000. This was better than the receipts for at least three other Louis fights, among them the Galento bout, which took in (radio rights and all) \$333,000.

The actual gate at last week's fight only came to \$205,000. What made up the difference was the TV rights—a thumping \$140,000 paid by Pabst to advertise its Blue Ribbon beer. So despite the fact that the promoter, International Boxing Club, had been griping about the TV threat before the fight, it declared itself "not dissatisfied" with the gate afterwards.

• **40% from TV**—The fact that TV accounted for no less than 40% of the total receipts of a major championship sports event suggests that television is really taking over. Take as another example the \$800,000 that Gillette will pay for the TV rights to this year's World Series (BW—Sep. 16 '50, p. 85). With that sort of money floating around, TV simply can't be ignored.

"Caterpillar"

chooses

NOX-RUST VAPOR WRAPPER

How "Caterpillar" assures "factory-fresh" delivery of parts to any point in the world!

The Parts Department of Caterpillar Tractor Co. cannot rely on guess work when it comes to packing finished parts for export. It must KNOW that the method used will give complete protection against rust. Nox-Rust Vapor Wrapper was given a series of rigid and exhaustive tests at the "Caterpillar" plant, followed by test shipments. The highly satisfactory results are emphasized by this comment from one dealer to whom a test shipment was made: "After thorough examination, we found the parts wrapped in Nox-Rust Vapor Wrapper in much better condition . . . have all our future shipments packed in a similar manner."

Specify

NOX-RUST

and Save!

"Caterpillar," like many other industrial leaders, uses the modern Nox-Rust Vapor Wrapper way to replace "Greased Pig" methods of rust prevention, which involve costly and time-consuming "coating - and - cleaning" operations.



This remarkable paper is impregnated with a chemical which releases a NON-TOXIC, odorless, invisible vapor that robs moisture of its corrosive action—yet leaves no deposit on the metal itself.

CHEMICALLY BLANKETS
STEEL FROM RUST BY
RENDERING MOISTURE
NON-CORROSIVE

Write FOR LITERATURE and PRICES

Manufactured only by

NOX-RUST CHEMICAL CORPORATION

America's Foremost Manufacturer of Rust Preventive Products

2457 So. Halsted Street, Chicago 8, Illinois

DETROIT • SAN FRANCISCO • BALTIMORE

IMPORTANT: No Nox-Rust Vapor Wrapper should be used on any metal surface that has been previously treated with a rust preventive product. The Nox-Rust Vapor Wrapper is a non-toxic, odorless, invisible vapor that robs moisture of its corrosive action—yet leaves no deposit on the metal itself.

HOLY SMOKE, ARTHUR!
THE COUNTRYSIDE
IS COVERED WITH 'EM!



Covered with B of M branches, that is. Because the Bank of Montreal—Canada's first bank—has 550 branches from coast to coast. It's almost impossible to travel through any Canadian city or town, without spotting the B of M. And if your thoughts of profit fly to Canada, this blanket of B of M branches means one thing: a bank that *knows* Canada inside out!

There are three U.S. offices, too—New York, Chicago and San Francisco. Matter of fact, the B of M was the first Canadian bank to establish

a U.S. office—in 1859—and has been helping U.S. businessmen to profit in Canada ever since.

So, to make the most of Canadian Opportunity, consult the B of M. Contact any U.S. office or the Business Development Department, Bank of Montreal, Place d'Armes, Montreal.



BANK OF MONTREAL

Canada's First Bank Coast-to-Coast

New York---64 Wall Street Chicago---27 S. La Salle Street San Francisco---333 California Street

Head Office: Montreal

550 BRANCHES ACROSS CANADA • RESOURCES EXCEED \$2,000,000,000

1950 Year of Greatest Freight Progress on the M. & St. L.

1950 will be recorded as the Year of Greatest Freight Progress in the 80 years' history of the Minneapolis & St. Louis Railway.

This year, motive power of the M. & St. L. will be completely Dieselized. Placing in service of eight more Diesel locomotives in early 1950 means the passing of the last of the good old M. & St. L. steam engines. New buildings, for service and repair of Diesels, are now in operation at Marshalltown, Iowa, and Minneapolis. Construction of a new general office building of the Railway in Minneapolis, to cost about \$1,000,000, is in full swing.

All this climaxes an improvement program on which the M. & St. L. has spent more than \$50,000,000 in ten years. In this opening year of the second half of the Twentieth Century, the M. & St. L. is better staffed and equipped than ever before, to sustain its long reputation for

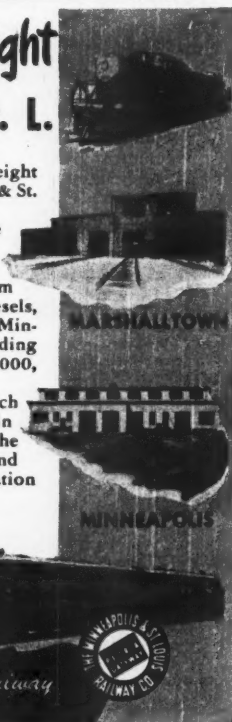
Fast Dependable Freight Service

- To Shippers and Receivers
- To Agriculture, Commerce and Industry
- To Connecting Railroads, via Peoria and Other Traffic Gateways

TRAFFIC OFFICES IN 36 KEY CITIES

The Minneapolis & St. Louis Railway

Fast Freight Service via the Peoria Gateway



Wickless Lighter

New butane type won't displace standard lighters, but makers expect them to beef up luxury end of the trade.

New products come along every day. Often they're intended as a high-priced supplement to an existing line. Then eventually they, too, simmer down in cost and whoop-de-doo to a good, steady business.

Ball-point pens had such a history. Now another new gadget seems likely to repeat: the butane cigarette lighter.

It hasn't swept the country yet—in fact, it's just now starting to appear in quantity. But lighter manufacturers have high hopes for a bright future.

• **Appeal**—Butane lighters look and operate just like regular lighters. Their twin sales appeal is that (1) they have no wick, and (2) they are good for upwards of 2,000 lights without refilling. Here's how they work:

Instead of a wick and fluid, a small cylinder filled with compressed butane gas supplies the fuel. When the lighter is operated, just enough gas is released through a vent to provide the right-sized flame.

To refuel after 2,000-odd lights, a new cartridge is pushed in. Manufacturers vary in their approach to the refueling problem: Some sell cartridges that the user can insert; others require the lighter to be returned to the store for refueling. One disadvantage of butane lighters: They're heavier than the wick type.

• **Pioneer**—Flaminaire, made by a French firm called Quercia, was the first butane lighter to appear in the U.S. Swank Neiman-Marcus, in Dallas, introduced it in December, 1948. Then Abercrombie & Fitch started selling it in June, 1949. Prices ranged from \$22.50 to \$500 (for an 18-karat gold model).

Recently Parker Pen Co. got exclusive rights to manufacture and distribute Flaminaire here. Parker hasn't set its price yet, but it will be in the luxury range—from \$10 to \$15. Parker plans to have Flaminaire on retail counters next month, in time to hit the Christmas gift trade that always accounts for a big part of lighter sales.

• **Other Entries**—Another pen maker, Stratford, has a butane lighter called Strato-Flame, which sells for \$7.50 and up. Macy's introduced a less-expensive Strato-Flame (\$5.98) in June, has exclusive franchise on that one model. Stratford is now distributing its higher-priced models nationally.

Brown & Bigelow, makers of "Remembrance Advertising" gadgets, got its

start in the field last May by introducing a \$12.50 desk lighter called Redi-Flame. Sales have already topped the \$1.5-million mark. In August, B & B added a \$12.95 butane pocket lighter.

Ronson got into the market fast, too. Its Vanguard has Ronson's patented one-finger, one-action, sells for \$12.50 up. Ronson, like most other manufacturers, doesn't expect butane lighters to take over the field, but says they'll supplement wick-lighter sales.

• **Holdout-Zippo**, which ranks close behind Ronson in total lighter sales volume, is staying off the bandwagon. It says it has no intention of getting into the field "unless it proves quite a success."

MARKETING BRIEFS

Theater television: Sixteen theater TV operations are scheduled this fall; there were only two last year. Color TV for theaters is also cooking. DuMont just delivered its first color system equipment to Paramount Pictures. It will be used for research on a direct-view TV tube, later for theater TV.

American Airlines and Slender-Lee Skirt Co. have teamed up to boost air freight delivery of Lee's skirts to retailers (BW-Jul.15'50,p48). American's display department will cooperate with retailers in setting up window displays, fashion shows, and in-store promotions.

General Electric has cooked up a promotion based on 20 "recipes" for better home lighting. Electric companies will choose 10,000 new homes where the recipes for lighting will be followed. GE's Lamp Department will supply the lamp bulbs.

New Florida citrus combine has been formed by the merger of three major organizations, handling 2-million boxes of fruit annually. The companies, with total assets of \$17-million, are B&W Canning Co., Grand Island Fruit Co., and Postal Colony Co.

Frozen pineapple juice is latest concentrate to get a marketing whirl. A Puerto Rican product is being test-marketed in the East; National Concentrators, Inc., of Cuba expects to enter the field next year; Hawaiian Pineapple Co. is doing laboratory work on the concentrate.

Distributor salesmen of SKF Industries are being trained to double as advisers on ball-bearing problems as mobilization orders cut into production. Special course will be handled on a correspondence-course basis.

from noodles



to nylon!

management men value
DOWTHERM

The heat transfer medium for high temperatures

Dowtherm is invaluable in providing and controlling heat in hundreds of processes—from noodles to nylon. In the Noodle Industry, for instance, the application of Dowtherm heat results in a more uniform product. This permits accurate filling of packages, and eliminates the necessity for constant manual adjustment.

This modern heat transfer medium, efficient over a wide temperature range at low pressure, holds temperatures constant by pressure regulation. It prevents hot spots, saves time, prolongs the life of materials and equipment—and brings to processing operations a hitherto unknown safety.

Where your operations require precise, low-pressure heating in the 300-750°F. range, use Dowtherm. For complete information, write or wire Dow at Midland.

THE DOW CHEMICAL COMPANY
MIDLAND, MICHIGAN



THE DOW CHEMICAL COMPANY
DOWTHERM DIV. 282-1
MIDLAND, MICH.

Name _____ Title _____
Company _____
Address _____
City _____ State _____



YOU CAN BE SURE... IF IT'S
Westinghouse



How *Maytag* Has Lowered Their Break-Even Point

The task of lowering the "break-even" point at the Maytag Company, as at most manufacturing plants, is high on management's priority list. One major stumbling block was the application of heat to product parts... particularly for the hardening of shafts.

Westinghouse R-F Heating was investigated and units were installed for shaft hardening. The results speak for themselves: hardening costs reduced to 1/2 of previous costs—production rate increased 250%—distortion from heating reduced from .012" to .001" or less—shaft straightening and descaling eliminated—rejects are nonexistent.

R-F heating is profitable heating for soldering, brazing and annealing as well as hardening. For details, write to Westinghouse Electric Corporation, Department BW-2, 2519 Wilkens Avenue, Baltimore 3, Maryland.

J-02215



RF HEATING



DESIGNER for Sundberg-Ferar works for a customer who is taking advantage of . . .

A Service That Builds Markets

Hercules Powder wanted to sell its plastic powders directly to molders. So it offers them—gratis—the services of a big-league industrial designer.

To sell an industrial product these days, you have to do more than plant a foot firmly in the door. You need to get clear inside by offering a line of service that is complete enough to tie the buyers' operations closely to your products.

That idea, dressed up in a new approach, partly accounts for Hercules Powder Co.'s success in increasing the sales of its plastic materials to the plastics-molding field.

• **Could Be Better**—When Hercules decided in 1948 to sell to molders of plastic products, it found that many companies develop an idea for a plastic product, then go right into production on it.

Often, though, the products could have been improved marketing-wise and production-wise. The trouble was, many plastics molders couldn't afford to retain big-league designers to help cut production (and selling) costs and to help make their products more attractive.

So Hercules decided to supply that service to its customers. It hired the Detroit industrial design firm of Sundberg-Ferar to work with customers and potential customers on their product designs.

• **Broad Assignment**—This was probably one of the broadest assignments ever taken by any design group. Usually a designer knows the type and amount of work he will be called on to do for a client. But in the Hercules deal, Sundberg-Ferar had no definite idea at all what design work would be involved or what type of product would be developed.

So far both Hercules and Sundberg-Ferar are well-satisfied with the way things are working out. Hercules is now selling its molding powders to machine-tool companies, novelty manufacturers, electrical-parts makers, even a telephone company.

Previously, the major part of Hercules' plastics chemicals sales had been to chemical companies which processed the plastic molding powders, then sold them to the molders.

So when Hercules decided to sell its powders direct to the molders, it needed a strong sales gimmick. Hercules' application engineers put their heads together and came up with a group of products in which cellulose acetate and ethyl cellulose would be particularly suitable. They had Sundberg-Ferar make up "dream designs," then air-brush visuals of the products went into salesmen's kits to help them clinch the sale.

• **200 Products**—From the design standpoint, Sundberg-Ferar has developed approximately 200 new products for Hercules customers and prospects. In a number of cases, the companies have hired Sundberg-Ferar to do additional developmental and creative work for them after the Hercules project was finished.

• **Rationing**—The amount of design assistance rendered any company depends on the product or products involved and the probable business potential. A sales group at Hercules' home office evaluates potential requests for design aid, since the volume of requests far exceeds Sundberg-Ferar's facilities.

In some cases the service may be



The "Servant's Servant"

ELECTRICITY is one of man's most useful servants. And *aluminum* can well be called the trusted servant of electricity.

For aluminum is the most *economical* of all carriers of electrical energy. Not only because it's highly *conductive*—but also because of its strength and lightness, its resistance to corrosion, and its extreme workability.

This unique combination of advantages

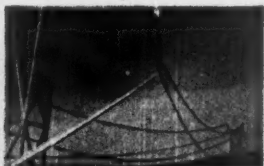
explains why aluminum is the most versatile of metals.

As a major producer of aluminum for the electrical industry... from power generation to appliances... Kaiser Aluminum has built an outstanding reputation for quality and service.

Kaiser Aluminum & Chemical Corporation, Oakland, California. 53 sales offices and distributors in principal cities.

Kaiser Aluminum

A major producer in a growing industry



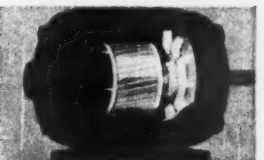
Serves power! Almost 80% of all electrical conductor being installed on transmission lines is aluminum. Kaiser Aluminum, with its fully integrated facilities, is a more dependable source of conductor for the electrical industry. Let us quote on your needs.



Serves homes! Drop lines made of Kaiser Aluminum weatherproofed wire deliver electricity efficiently at a material cost saving of 15% to 30%. Lower your costs on that next job by specifying aluminum!



Serves you! Electric light sockets are made of aluminum because of its conductivity, lightness, strength, workability, economy. For these same reasons aluminum plays a vital part in television and radio sets. Apply Kaiser Aluminum's many advantages to your product!



Serves industry! Kaiser Aluminum is ideal for the rotors of electric motors because of its conductivity. And it's economical because it's easily cast, easily machined.



Serves everyone! More and more, Kaiser Aluminum is helping to create better electrical products. Used in electrical appliances, it conducts heat evenly and quickly, keeps its sparkling beauty. Insist on aluminum when you buy!

*Sherwin-Williams
toned down high printing costs...*

by switching to lower cost, high fidelity

***Consolidated* ENAMEL PAPERS**

• Even if you've never touched a paint brush in your life, it would be difficult to go through many pages of Sherwin-Williams' *Home Decorator* without feeling the urge to try your hand at a little amateur decorating. The magazine's richly-colored illustrations and crisp, easy-reading text make the invitation to paint so attractive as to be almost irresistible.

Consolidated Enamel Papers are only one of many ingredients that combine to create this eye-appealing sales effectiveness in *The Home Decorator*. But Consolidated's contribution is doubly important in that it provides the premium qualities essential to such fine reproduction at a cost that averages 15 to 25% below old style, premium-priced enamel papers.

The single source of these substantial savings is a revolutionary enamel papermaking method which Consolidated pioneered. By applying the streamlined methods of the modern production line in papermaking, it eliminates multiple costs of other makers. Its end result is paper of highest quality, simultaneously enameled on both sides, in a single high-speed operation.

If you have seen other ads in this series, you know that Sherwin-Williams is not alone in benefiting from this modern economy. Standard Oil of Indiana, American Airlines and Firestone are a few of the hundreds of leading companies whose savings total thousands of dollars a year. If you don't know how they do it, you *should*—before you buy another piece of printing.

© C. W. P. & P. Co.

***Consolidated* ENAMEL PAPERS**

CONSOLIDATED WATER POWER & PAPER COMPANY

Makers of Consowald—decorative and industrial laminates • Main Offices: Wisconsin Rapids, Wisconsin • Sales Offices: 133 So. LaSalle St., Chicago 3, Illinois

limited to an initial call by the designers which will determine that the product is not suitable for design with a Hercules material.

At the other extreme, as in the case of a leading Christmas tree light and ornament manufacturer, many thousand pounds of Hercules material are involved. Here Sundberg-Ferar has virtually become a part of the company's design department.

• **Flat Fee**—Hercules pays Sundberg-Ferar a flat sum for its service. The Hercules customer gets advice free, with no strings attached, and has the right to discard or use any designs submitted. But Hercules salesmen usually are able to persuade users of the design service to purchase Hercules materials or to specify them.

Sundberg-Ferar works directly with the companies that ask for help. Designs are developed, submitted, revised as necessary. Once they are completed, the company is free to make any use it chooses of the designs. If patent rights are involved, they're assigned to the user by both Sundberg-Ferar and Hercules.

• **Side Effect**—One offshoot of the program has been the increasing design-consciousness of the Hercules sales staff. About three quarters of the inquiries that might have resulted in wasted effort by the designer are now eliminated, thanks to the knowhow of Hercules' sales staff.

Trademark Buy

For \$1,250,000, Fruit Growers' Exchange gets exclusive use of Sunkist label for its concentrated citrus juices.

A strong new contender has entered the frozen concentrated citrus juice sweepstakes. The California Fruit Growers' Exchange moved into the market this week with the first frozen orange juice to bear the familiar Sunkist label (BW—Sep. 30 '50, p. 28).

• **Unscrambled**—It cost the Growers' Exchange \$1,250,000 to make the leap. That's how much the co-op paid California Packing Corp. to unscramble the rights to the Sunkist trademark.

It wasn't widely known that anybody other than the Growers used that trademark. But the name Sunkist was rooted deeply in the history of both concerns.

The Fruit Growers began plugging it in 1908. Since then, they've established an outstanding record of consistency in advertising and spent \$55-million to make Sunkist a household word. The consistency extended even to their choice of an advertising agency. Lord & Thomas took the account in 1907, when the annual advertising appropriation was less than \$25,000. Foote, Cone & Belding, lineal succe-



Transparent Shoes Outmode Salesman's Thumb

Despite the protests of young customers who like to watch their toes wiggle, these vinylite shoes are not retailed—they're for try-on purposes only. They replace the salesman's thumb and the X-ray (now banned in some places) in getting a correct fit for children's feet.

The maker is Wilbur Coon Co. of Rochester, N. Y. Transparent shoes are

made on the same lasts used for the company's leather shoes. They're rented to retailers in 150-pair outfits for \$20 a month, cost \$1,300 a set. So far, Coon makes the vinylite shoes only in its own styles, but it plans to start turning them out for other noncompeting companies in the future. And so far, it makes them only in children's sizes.



BY NEGLECTING TRAMP METAL YOU SABOTAGE COSTLY MACHINES

FOR EXAMPLE: Calender rolls set to run 3/10,000 of an inch apart soon require machining, even replacement, if they must suffer the assault of metal particles in the material being processed.

To be sure, they roll the little pieces flat—especially the softer metals—but they pit as they do so.

Two trusty sentinels will protect against the sabotage of all machinery:

An RCA Electronic Metal Detector... the electronic eye sees all metal... warns, marks, rejects, protects.

An Eriez Magnetic Separator... permanent non-electric, or electromagnet types. Costs little to install, virtually nothing to operate... seizes all tramp iron in loose or liquid material. Dozens of models and scores of applications engineered for many industries.

Ask Eriez Manufacturing Company for detailed engineering information on protection against tramp metal in any form.



ERIEZ MANUFACTURING COMPANY

206 State Street, Erie, Pa.

Exclusive Distributors in U.S. and Canada for



ELECTRONIC METAL DETECTORS

PREVENT SABOTAGE!

Increase Your Property Protection Against

FIRE • THEFT • VANDALISM



CHICAGO Watchclock System

Enables watchman to prove he's on the job!

In only a few hours anyone can install the tamperproof CHICAGO WATCHCLOCK System. Learn about this low-price method of extra plant-protection that quickly pays for itself...

Quickly Pays For Itself:
REDUCES Insurance Rates
For use by watchmen or any night worker... Used all over the world.
Approved by the Underwriters' Laboratories, Inc. and by the Factory Mutuals.

Itself... Write for colorful folder "Who's Watching Your Watchman?" Illustrates portable clock, daily dial-insets and fixed station boxes.

CHICAGO WATCHCLOCK

1834 S. WABASH AVE., CHICAGO 2, ILLINOIS



Credit Insurance Completes Your Program of Protection

ACCOUNTS RECEIVABLE is one of your most valuable, *most vulnerable* assets! No matter how complete your credit information is or how solid and substantial your credit risks appear to be, there's always the danger that unforeseen events—fraud, fire, floods, lawsuits, etc.—can cause your customers to default.

American Credit Insurance *guarantees* payment of Accounts Receivable. American Credit pays you when your customers can't... enables you to get cash for past due accounts... improves your credit standing with banks and suppliers. American Credit policies can be tailored to fit your particular

requirements... insuring all accounts, a specific group, or just one account.

Book Helps You Plan Credit Policy

Plan sound credit policy with the help of this timely book. For a copy, without obligation, phone our office in your city or write AMERICAN CREDIT INDEMNITY COMPANY OF NEW YORK, Dept. 42, First National Bank Building, Baltimore 2, Md.



J. H. Fisher
PRESIDENT

**AMERICAN CREDIT
INSURANCE**



GUARANTEES PAYMENT OF ACCOUNTS RECEIVABLE

OFFICES IN PRINCIPAL CITIES OF
THE UNITED STATES AND CANADA

sors to Lord & Thomas, still handles it. The annual budget now is around \$3-million.

• **Four Food Houses**—Calpack was organized in 1916, a consolidation of four food houses, each with its own label. One of these, J. K. Armsby Co. of Chicago, had a Sunkist trademark quite independently of the Growers and used it on entirely different products. The other labels were Del Monte, Glass Jar, and Gold Bar. Del Monte became the top national label of the consolidated company, and the others were used regionally.

• **No One Minded**—Neither Calpack nor the Exchange was much disturbed about their joint use of the Sunkist trademark. Calpack put it on canned and dried fruits, and canned vegetables. The co-op used it only on fresh citrus fruits. Neither used it on citrus products. There was no area of conflict.

Even when canned fruit juices became popular and the Growers began packing these and other byproducts, they were in no hurry to get a Sunkist label on the stuff. Inferiority in the processed products, they felt, could damage the value of the trademark on fresh fruits.

• **Products Improve**—As processing techniques and products improved, however, and as frozen concentrates swept the country, the Growers began to think in terms of their own label. Their owned or associated companies were freezing orange or lemon concentrates for the labels of three of the big marketers. For their own canned juices and for such other byproducts as citric acid, pectin, cowfood, citrus oils, dairy bases, and carbonated drink bases, they adopted "Exchange" for a brand name.

But "Exchange" lacked the wallop that had been packed at great expense into the word "Sunkist." Now that the Growers had a juice and a concentrate that measured up in quality to the prestige that had been built into the fresh-fruit trademark, they wanted to market their byproducts under that label.

• **Area of Confusion**—What's more, in the old days there had been no possible consumer confusion between the Growers' fresh fruits and Calpack's canned products. Now, with the Growers turning to processed juices, their products were definitely entering an area already occupied by Calpack. It became desirable to define clearly the field of the Sunkist trademark.

That's what led to the negotiations. For a cash consideration, Calpack has agreed to stop using the Sunkist trademark at the end of the current pack. In the future, Calpack's old Sunkist distributors will market identical products under one of the company's other house labels—All Gold, Princess Finest, Today's Brand, or Del Monte.

BUILDERS OF THE BRASS INDUSTRY



ALBERT DWIGHT WILSON

(Ninth President of BRISTOL BRASS)

Master detective of needless waste . . . Stabilizer of Brass mill costs and procedures . . . "The Man to Ask" about any phase of mill finance . . . Commander-in-chief when Bristol enlisted for its 5th war

WHEN Albert Wilson came to the presidency in 1935, it was the only position in the organization that he had not held at some time, since 1902. That year of 1935, strange noises were coming out of Germany. FDR had just won again, and business was up at the time, only to dive sharply again in '38.

But as usual, the Bristol mills continued on the even tenor of their way. And one of the chief reasons was that "Bert" Wilson had spent the previous 33 years as a tireless

enemy of waste. For instance, in World War I, when the mills had to account for government materials used, all they had to figure on was a pile of ashes and mud. So Albert Wilson worked out a method of determining the exact proportions and costs of the spelter, copper and scrap that went into an 80-lb. bar of Brass. Then, following the tonnage produced, he booted waste clean out of the casting shop. Such control systems proved increasingly valuable through World War II, and right up to the present.

Today, as board chairman, in his 48th year with Bristol, the Wilson eye for economy is keen as ever!

Such endless energy, expended in behalf of stockholders and customers, is a hundred-year tradition at Bristol Brass . . . an asset to you as well as to ourselves. For it means that Bristol always delivers full measure of value with no waste of time, motion or materials.

Yes, "Bristol Fashion" means "businesslike fashion" . . . and that's the way your business will be handled, here.

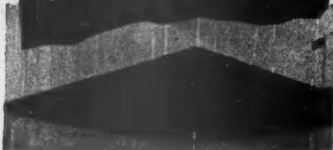
One Hundred Years of BRASS made "BRISTOL FASHION"

Like the world-famed merchant ships from Bristol, England . . . Always prompt, shipshape, reliable

The BRISTOL BRASS CORPORATION, makers of Brass in Bristol, Conn. since 1850



This Steam-Heated Plant
Uses 18 AUXILIARY
ELECTROMODE
All Electric HEATERS



Plant of Commercial Controls Corporation, Rochester, N. Y.

ELECTROMODE All-Electric Heaters are the economical answer to heating problems in old and new plants throughout the country. In the plant shown above, use of thermostatically controlled Electromodes supplied fan-circulated warmth to eighteen hard-to-heat areas, saved piping and eliminated expensive enlargements or forced operation of the central steam system. Here is how it was done:



FACTORY—Underheated areas were eliminated with eight suspension-type Electromodes.



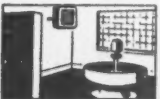
GENERAL OFFICES—A cold north side was heated perfectly with five 3 KW units.



SHIPPING ROOM—Drafts from platform were counteracted with two 3 KW Electromodes.



GUARDHOUSE—This always-cold building was made comfortable with one 1.5 KW portable.



WASHROOM—Added warmth for showering comfort was provided by one 3 KW Unit.



LOBBY—One 4 KW wall type Electromode overcame poor heating caused by long steam runs.

**AUTOMATIC AND NON-AUTOMATIC
ELECTROMODES (1.5 TO 45 KW)
FOR HOME, OFFICE, INDUSTRY
SEND COUPON TODAY!**

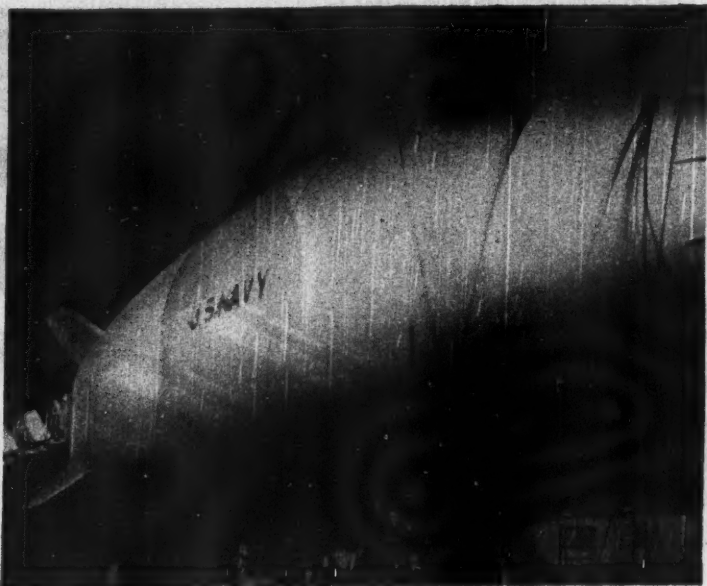
ELECTROMODE CORPORATION
43 Couch St., Rochester 3, N. Y. Dept. BW-100
Please send catalogs and full technical information
concerning Electromode All-Electric Heaters.

NAME _____

ADDRESS _____

*World's Leading Exclusive Manufacturers
of All-Electric Heaters*

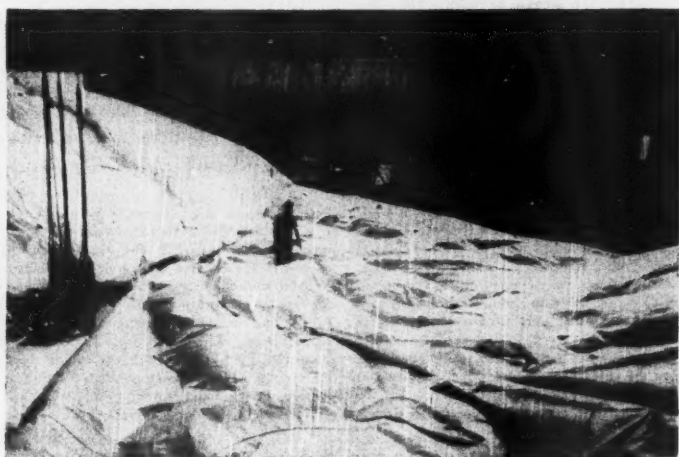
CAMERA VISITS INDUSTRY



THE ENVELOPE Already filled with helium, the completed envelope of the Navy's the air inside Goodyear Aircraft Corp.'s hangar at Akron. The down while the nacelle and other fixtures are attached. Workmen on scaffolding give

The Building of a Blimp

Goodyear, with forty years' experience in lighter-than-air craft, now turns out new N-type models for the Navy. The camera watches the construction of one of the sub hunters.



THE FABRIC This billowing sea of fabric will be used to make up the N-type airship's envelope. Here Frank Cronin, Goodyear's chief rigger, inspects the huge still-uninflated bag for imperfections.



latest-type blimp (nonrigid airship) floats in huge net draped over the envelope holds it an idea of the size of the sub-hunting airship.

The Goodyear Tire & Rubber Co. has been making lighter-than-air ships for 40 years. Old-fashioned round balloons, dirigibles, and finally the familiar nonrigid airships (blimps) have been turned out at Akron. Activities now center in the wholly owned Goodyear Aircraft Corp.



A PROPELLER Inspectors look over one of the two powerplants the airship has.



A FIN Mechanic Oskar Karker stands on ladder to adjust one of the craft's fins. L. W. Beck holds blueprint.

On these pages the camera follows the construction of a Goodyear blimp. In World War II, the firm turned out these craft wholesale for the Navy; they were invaluable in hunting subs. Now Goodyear is working on the new N-type, destined for the more deadly sub hunting of the future.



THE INNARDS Workmen attach bowline hatch used to release handling lines.


NEW MARKETS

AMPLE LABOR

RAW MATERIALS

Mean Profitable Opportunities In

Florida



OPERATING ECONOMIES

Florida's mild climate brings benefits in the form of lower overhead. Heating bills are negligible, productivity is higher, absenteeism is lower.

Florida

STATE OF FLORIDA



Big
IN SMALL
MOTORS

• Millions of units—for the plant, home, and office—are "Powered by Robbins & Myers." Why? Because famous-for-service small R & M Motors are big in what they do. They're accurate, interchangeable, easy to install—and their dependable stamina, on the job, wins friends for equipment they drive.

SPECIALS... If you need the hush of super-quiet operation, an unvarying flow of ultra-constant torque, split-second full speed—or any other extremes in size or fine motor performance—you'll find R & M ready with a wealth of experience plus a truly modern concept.

STANDARDS... Off-the-shelf types in each frame size have identical mounting dimensions. Your special heads for one fit them all. Robbins & Myers is big enough to serve, yet not too big for service. Whether it's quality motors or matched motor parts, you're sure to be satisfied, too, when you call in R & M!

**ROBBINS
& MYERS**

Manufactured by Robbins & Myers, Inc.
BIRMINGHAM • CHICAGO • CINCINNATI • CLEVELAND • DETROIT

REGIONS

Who Does What Where?

Commerce Dept. census of U.S. business—as of 1948—is ready for the printer. Texas gets first glimpse of results at state fair next month. Survey covers all U.S., Hawaii, Alaska.

How—and where—was business back in 1948? Commerce Dept.'s Census Bureau has gone to a lot of time, trouble, and expense to find out—exactly. On a budget of \$13-million, it hired 4,000 enumerators to cover the U.S., Hawaii, and Alaska, collecting figures from every business in their district.

This is the first big-scale census of wholesale, retail, and service industries, since 1939. Commerce ran them every 10 years before then; it will run them every five years from now on. Work on the 1948 project began back in May, 1949; Census only recently finished totting the figures.

• **Texas First**—Texans will get the first look at the results. As a special favor, the Census Bureau has provided its charts and data on business in Texas, Louisiana, New Mexico, Oklahoma, and Arkansas for display in the Greater Texas State Fair in Dallas beginning Oct. 7.

The rest of the country will have to wait a little longer; the Census Bureau has run into mechanical difficulties in getting its survey printed up. The government printing office couldn't do the job itself so it asked for outside bids. None came. Printers complained that they didn't have enough paper; they wanted GPO to guarantee a supply.

• **Area, Subject, Trade**—In spite of this handicap, GPO thinks that it will get out the first printed tabulations only a month behind schedule. These will be a series of 153 bulletins covering retail, wholesale, and service operations as they stood two years, ago. GPO's superintendent of documents figures from past experience that he'll sell over a million copies of the bulletins—at prices ranging from a dime to 30¢ apiece.

He also expects that large merchandizing, research, and advertising firms will quickly snap up the 5,000 sets of buckram-bound volumes that will contain all the data in the 153 bulletins.

• **Area, Subject, Trade**—The first series of bulletins to appear will group the census tabulations by areas. They will show payrolls, number of employees, and breakdowns of sales by selected items. The bulletin on Texas, for instance, will show that total sales volume in the state two years ago reached \$6.6-million; it was \$1.8-million in

1939. For the U.S. as a whole, the 1948 sales total was \$130-billion (excluding professional services); 11 years ago the total was only \$42-billion.

The area bulletins will list summaries of 89 types of businesses by state, by metropolitan area, and by county.

After them, come the subject bulletins. These list figures by subject, such as: credit sales and accounts receivable, sales by merchandise lines, sales by class of customer for wholesale trade, operating expense analysis for wholesale trade, inventories, employment and payrolls, trucks and truck-tractors operated, legal form of organization (incorporated or unincorporated), leased department operations, and cooperatives in wholesale trade.


A third series will be trade bulletins, collecting figures by trades, such as: eating and drinking places, grocery wholesaling, iron and steel distribution, auto repair, hotels and tourist courts, diaper service, and others.

Commerce Dept. thinks that specific statistics in the census, such as sales and payrolls, will be a gold mine for businessmen, particularly those who are concerned about the efficiency of their distributing systems, or the competence of their sales force. Questions such as the ratio of inventory to sales, or the ratio of sales to payroll, are also answered in the welter of statistics.

• **Enumerators Doublechecked**—The 4,000 census enumerators went into every business office in their district to interview the proprietor. The figures they collected by interview were checked back at Census Bureau headquarters in Suitland, Md., against records of other government agencies. Payroll reports, for instance, were compared with records of the Social Security Administration. If major discrepancies or evidence of sloppy work showed up, the enumerator was told to go back and get it straight. Census weeded out incompetent enumerators, kept the good ones for other duties.

Right now Census is turning over its system to work for the National Security Resources Board, the Federal Reserve Board, and the National Production Authority, making mobilization studies.

• **Mechanical Aid**—Chief mechanical aid of the Census Bureau in checking its findings is a machine known as



BUSY AS A BEE *Boxcar!*



Busiest thing around nowadays is your old friend, the freight car!

Busy carrying the things that America eats, wears and uses.

Busy carrying the raw materials to make these things.

Busy carrying the machinery, the munitions and the material that go to make our country strong.

Increased military movements — increased defense demands — increased buying — increased production all along the line — all these mean that each week

850,000 freight cars are loaded and sent on their way. That's enough to make a train stretching all the way from the Atlantic to the Pacific and back again!

The railroads have moved swiftly to meet the increased demand for freight cars. They have stepped up their car repair and rebuilding program. And they have ordered more than 100,000 *new* freight cars for earliest possible delivery.

Shippers are helping greatly by loading and unloading cars promptly and by operating shipping rooms and loading platforms six days a week instead of five — the equivalent of adding thousands of cars to the present supply!

It all adds up to the fact that the railroad freight car fleet is *busy* and *growing* ... continuing to carry the overwhelming bulk of the goods for America's civilian economy and her national defense!

ASSOCIATION OF AMERICAN RAILROADS

WASHINGTON 6, D. C.

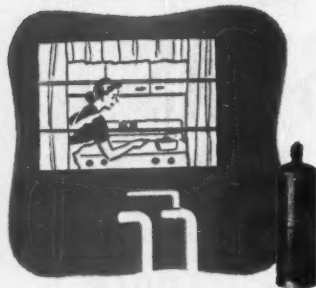


Listen to THE RAILROAD HOUR every Monday evening on NBC



MORE FOOD ON YOUR TABLE

... Thanks to the miracle of refrigeration. The refrigeration gases that make food preserving possible are shipped and stored safely and economically in Hackney Cylinders.



MODERN CONVENIENCES FOR RURAL DWELLERS

Beyond the gas mains... millions of American families depend on Butane and Propane gases for cooking, water heating, refrigeration, and other home conveniences. Hackney Cylinders have been preferred in the Butane-Propane industry since its beginning.



FIRE IS TAMED

By modern chemical extinguishers. This Hackney Deep Drawn Shape—lighter weight, stronger, more economical—plays an important part in their efficient operation.

HACKNEY PRODUCTS

provide better,
more efficient
service

—in vastly diversified
markets

You see here only a few of the many industries served by Pressed Steel Tank Company. Vastly diversified? Yes, but one thing they share in common—the advantages of Hackney Deep Drawing—light weight, greater strength, longer life, improved appearance, etc. These important advantages profit all users of Hackney products, whether they use cylinders, drums, barrels, kegs or special shapes and shells.

No matter what your needs may be—you can benefit from Pressed Steel Tank Company's experience and manufacturing facilities—almost 50 years of specialized knowledge of metals and of the properties of gases, liquids and solids. Write for full details.



PRESSED STEEL TANK COMPANY

Manufacturer of Hackney Products

Main office and plant: 1493 S. 64th St., Milwaukee 14, Wis.

1397 Vanderbilt Commerce Building, New York 17, N. Y. • 207 Hanna Building, Cleveland 15, Ohio
936 W. Peachtree St., N. W., Room 113, Atlanta 3, Georgia • 208 South La Salle Street, Room 759, Chicago 4, Illinois
355 Roosevelt Building, Los Angeles 14, Calif.

CONTAINERS FOR GASES, LIQUIDS AND SOLIDS

the multicolumn sorter, which was invented and built last year by the bureau. The machine can process 400 punched cards a minute. If, for example, the normal standard relationship between sales and inventory is that sales should amount to three times the value of the inventory, the multicolumn sorter rejects those punched cards which don't conform with this standard of consistency.

New Lease on Life

Providence's booming industries face shortage of skilled workers. City, long a distress area, now tries to train unskilled.

Only last July, Providence, R. I., was one of the four major distress areas left in the nation. Unemployment was over 12%; and even though things were looking a little better, there was no prospect of a quick comeback.

• **Quick Training**—Today—less than three months later—the whole picture has changed. There's a full-blown shortage of skilled workers, with many plants lowering experience requirements and using short-order training methods. Over-all unemployment, now down to about 7%, is being chipped away steadily by upgrading of workers into the scarce skilled brackets.

Last week there were 1,410 job openings listed with the State Employment Service, more than three times the number just before the shooting started in Korea. And SES officials say that some plants that want a really sizable number of new workers aren't bothering to list the openings, because of the meager response. Of the 1,410 openings listed, 503 were for unskilled labor. Three months ago, there were virtually no calls for the unskilled.

• **Civilian Goods**—Stepped-up production of peacetime goods has accounted for almost all the sudden rush of new jobs. War orders have scarcely begun to reach the Providence area, though there has been some scare ordering of machine tools.

There has been a steady stream of new business for the big three of Rhode Island industry—textiles, jewelry, and fabricated metals. It's been well above the normal seasonal upswing in textiles and jewelry.

For example, employment in the jewelry industry has been running close to 28,000—something of a record. Ordinarily, the rush in jewelry—geared to the coming Christmas season—would start to taper off now, with layoffs running from 20% to 25%. That would mean a lot of labor available for other industries. But Thomas H. Bride, Ad-

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



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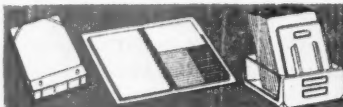
LOOK FOR
This Hinge

LOOK FOR
This Fibre Back

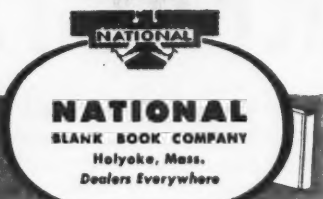
The "Lock Booster" opens rings at a touch  prevents spilled  sheets when locked  the "Steel Hinge" anchors firmly  allows flat  opening without cracking...the "Fibre Back" wears and wears  and the stiff or flexible cover supplies long-lived dignity.

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Memo:-----

to the personnel director

Do you need a man at the executive or junior executive level? He's probably one of the 200,000 paid subscribers of BUSINESS WEEK. You can reach him quickly and effectively through BUSINESS WEEK'S own classified advertising section . . .

-----clues

ministrator of the SES, says that there are no signs yet of the season slacking off in jewelry. That means, of course, no spare workers.

• **Added Shifts**—That could be bad news for the machinery and tool industry. There's evidence already that machinery plants are having a hard time putting on second and third shifts, for lack of skilled workers. Like the jewelry people, they have tried newspaper "help wanted" ads, but without any great success. As a result, the machinery and tool makers are lowering their standards.

For one thing, they are trying various means to spread the skills in their shops. One stunt is to give an unskilled man a quick "once-over-lightly" training in a single operation and then put him to work under skilled supervisors.

• **Lower Standards**—Experience standards are being dropped in all Rhode Island industries. Two months ago, no one would hire a screw machine or lathe operator with less than three to five years experience. Last week, one to three years was enough.

Age requirements are also changing, giving a bigger break to older men. Two months ago, most job openings specified workers between 18 and 35 years old. Now the ceiling is 50, even 60 for a good machinist. One porter, taken off a turret lathe 10 years ago because of age, is back at his old stand. He's 62.

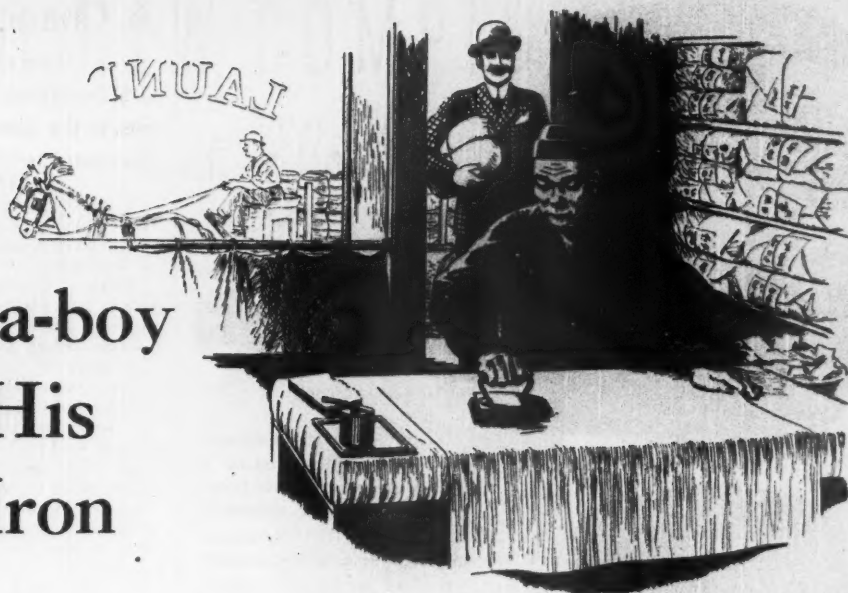
A new bait is being held out to inexperienced workers. Now they can get jobs on any of the three shifts, instead of being relegated to the worst hours. Industry hopes that this will lure housewives, farm help, and the like into the factories.

The SES is trying to help out by steering jobless white-collar workers toward factory jobs at comparable wages. But there is no compulsion being used if the clerical worker is balky.

• **The Future**—Top question for Providence plant management is: What will happen when the war orders start coming? There's no serious squeeze now, except in the very skilled categories. But there's not much slack either. The machine shops and textile factories are looking for some whopping orders. But where will they get the workers?

SES officials see no hope from nearby Massachusetts and Connecticut—they have their own labor problems. The usual jewelry slack season would help, but there doesn't seem to be any slacking. And, come the war orders, jewelry will be right in the labor market, too. In World War II it worked overtime, turning out bits and pieces of electronic equipment, along with insignia for the services.

The China-boy and His Sad Iron



Belong to the "Days That Used To Be"

Modern commercial, institutional, government and hotel laundries turn out mile after mile of flat work—the pace is too fast for the old-time "Chinee."

Making sure that this mountain of ironing is *quality* ironing, is a job for REVOLITE* Roll Covers. REVOLITE is the original resinous-coated asbestos roll cover—designed to boost in quality as well as quantity the output of flat work ironers. It is heat-resistant, water-repellent—built for long-life. More than 3,000 "power" laundries in the United States and Canada find they can speed operations and cut the cost of quality work with REVOLITE.

An important part of REVOLITE service to the laundry is free installation of REVOLITE Roll Covers by experts. What is more, REVOLITE performance is guaranteed in writing. REVOLITE is on the job long after ordinary roll covers are worn out—and the laundry is sure of a rebate for any "mileage" they don't get.

Atlas contributions to the laundry industry are typically Atlas—the result of working for and with the customer on the problem of holding down costs while improving quality and output. Atlas serves a wide variety of industries. If your production efforts are within the range of Atlas products, our technical and engineering staffs are at your service.

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For Revolite, address Atlas Powder Company, Stamford, Connecticut



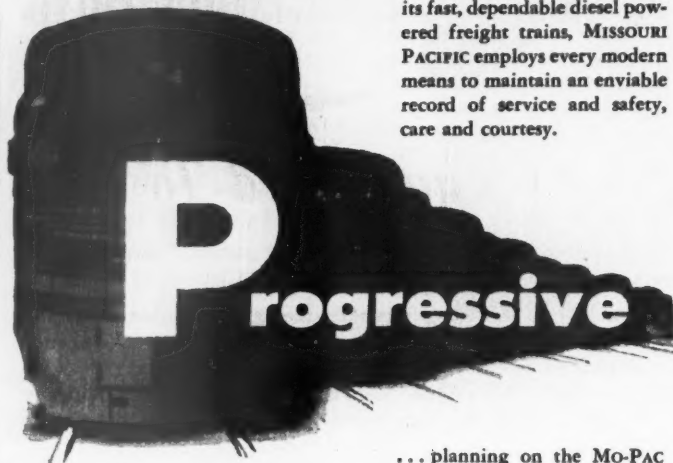
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A Chance to Bid

State of Maine funnels U. S. invitations to bid to industries in the state that might like the contracts.

If more states go as Maine is going, more businesses are likely to get a share of the defense orders now coming out of Washington.

Maine's governor, Frederick G. Payne, had got himself elected partly on the plank of industrial development. Months before Korea, he was asking why more of Uncle Sam's contracts weren't coming Maine's way.

• **Three Polls**—With Miss Marian Martin, his commissioner of labor and industry, Payne set out to find the answer. They started by making a quiet survey of their own, covering a broad cross-section of Maine industry. The answers convinced them of one thing: A lot of firms that might like to bid on government contracts didn't because they didn't know how to go about it.

Next they tried a poll of the state's larger industries, those employing over 100 employees. The main object was to find out whether the companies felt there was enough in the project for them to make it worth-while.

Over 90% of the answers said most emphatically there was.

Poll three was aimed at smaller industries that might have a stake in sub-contract jobs. Here again the response was enthusiastic.

Miss Martin's department arranged to collect the government's daily summaries of forthcoming invitations to bid. It would go through the lists, pick out any items that a Maine concern might like to bid on. The day Washington sent out its invitation to bid, the industries concerned would get word.

• **Bombshell**—Then, just as everyone was set to go, Korea blasted the front pages. A peace economy became a defense economy.

To get firsthand word on what the change meant, Gov. Payne invited a trio of Washington officials to Augusta to meet some 80 leading Maine businessmen. Chief speaker was Jess Larson, General Services Administrator. The conferees thrashed over a hodge-podge of problems: manpower controls, procurement agencies, even such grassroots questions as specifications for sardine packing.

• **A Start**—Payne's program is being adapted to fit the defense setup. So far, it isn't credited with nailing any jobs—though Maine is benefiting from defense contracts. But the groundwork to give Maine industries their chance is all laid.

2 Great NEW COMPTOMETERS

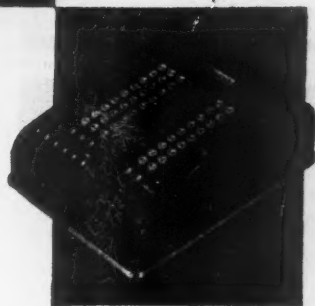
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Trying is believing! Because this smooth, effortless key stroke puts wings on fingers. Hands seem, literally, to float over the keyboard... with astounding speed, ease and ACCURACY! This amazingly light touch is just one exciting feature that will permit your operator to handle your figure work with *minimum* effort and *maximum* efficiency. Here are others:

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READERS REPORT

Price of Labor

Sirs:

I have thought several times recently that the value of your page, *Figures of the Week*, particularly that portion showing average prices for the week, would be enhanced if there were some figures shown for wages.

At the present the page omits one very important element of costs that the businessmen must have constantly in mind during this inflationary period.

W. SPENCER ROBERTSON
NEW YORK, N. Y.

• Mr. Robertson is quite right in saying that wage statistics are important, both in themselves and as part of the businessman's cost. There are two reasons, both technical, why we don't include them with the *Figures of the Week*. One is simply lack of space. The other is that we feel we should publish on a weekly basis only weekly figures—and wage statistics are only available monthly. The one exception we have made to this rule is to publish the Cost of Living Index weekly.

Voice of the South

Sirs:

I was much pleased to see C. B. McManis' picture on the cover of *Business Week* in the Sept. 16 issue. He was one of the South's 50 Foremost Business Leaders named by *Dixie Business* in 1949.

That was a swell piece about Southern Co. and Mr. McManis and a fine tribute to the territory it serves. As the unofficial and self-appointed spokesman for the South, I thank you and the staff of *Business Week*.

HUBERT F. LEE
EDITOR, DIXIE BUSINESS,
ATLANTA, GA.

Dallas Water

Sirs:

Your article, *Plenty of Water—But Not to Waste* [BW—Sep. 9'50, p82], places the City of Dallas in an extremely critical condition as regards its water shortage at Lake Dallas. While you correctly quoted the original capacity of Lake Dallas at 63-billion gallons, siltation of the reservoir has only reduced its capacity to 50.5-billion gallons instead of the 8-billion gallons you mention. In view of the fact that our city consumes some 20-billion gallons of purified water each year, you can readily see that Dallas would be in dire circumstances indeed during a drought year

if we had only 8-billion-gallons storage capacity.

It is well to point out, however, that our present capacity of 50.5-billion gallons is not adequate for Dallas' continuous growth, and we have participated with the United States government in the development of two additional reservoirs which will give us an ultimate firm supply of some 163-billion gallons of water storage, which will support a Dallas population of 1,250,000.

K. F. HOFFLE
SUPERINTENDENT,
CITY OF DALLAS,
DALLAS, TEX.

Sirs:

In that portion of your discussion of water problems [BW—Sep. 9'50, p82] devoted to Los Angeles, some misstatement of facts appeared. The original Los Angeles Aqueduct, planned in the early 1900's and completed in 1913, did not bring water from the Colorado River but from the Owens River in the High Sierras of California. Subsequently, an additional aqueduct to serve Los Angeles and other southern California cities was built by the Metropolitan Water District and did bring to this area water from the Colorado River.

Los Angeles now has available plenty of good, low-cost water, not only to meet the present needs of this city, but also to take care of more than twice the number of residents in the future.

SAMUEL B. MORRIS
CHIEF ENGINEER AND GENERAL MANAGER, DEPT. OF WATER & POWER,
LOS ANGELES, CALIF.

Price of Zinc

Sirs:

In your article, "Money in Metals That Flow" [BW—Sep. 9'50, p39], I wish to question the data in the table on output and cost of several liquid metals. Most of the prices quoted seem reasonable except that of zinc at 99¢ per lb. I am at a loss to imagine what was actually meant; since 1948 the price has always varied within the limits of 9¢-17¢, the latter price being current.

CARL H. COTTERILL
AMERICAN ZINC LEAD & SMELTING CO.,
ST. LOUIS, MO.

• The price quoted for zinc was taken directly from the Liquid Metals Handbook put out by the Atomic Energy Commission. The actual average price for 1948 was 13.589¢ per lb.; today's price is 17.5¢ per lb.

IF YOU MUST HOARD, HOARD MONEY



HOARDING makes for scarcity and scarcity makes for high prices.

That's simple, isn't it? If you buy more sugar than you need—and your neighbor buys more coffee than she needs—and thousands of other people and their neighbors do the same thing—soon there is a shortage of sugar and coffee, and the price of sugar and coffee goes up. And so does the price of everything else that's hoarded.

And that means an increase in the cost of living for all of us.

If that were all there was to it—that would not be too bad.

But note this:

When people buy more than they need—they soon stop buying. Suddenly, prices tumble—and in their wake come depression and unemployment.

★ ★ ★

What is true for the housewife is true for the businessman.

Say you're in the business of making tin toys—and you buy more tin than your normal requirements. Overnight you are not only in the toy business but you are in the tin business as well! And that's dangerous.

It matters not whether it be tin, brass, sugar or beans.

If you buy more than your regular needs, you are gambling. And gambling isn't your business. What's more, you may be contributing to an economic nose-dive that can irrevocably affect our way of life.

And so we say—if you must hoard, hoard money. But hoard it *safely*. With assurance that it will be there

when you want it. With the knowledge that your funds are *available*—as they have always been for hundreds of thousands of New Englanders—whose money is safe in a Shawmut account.

For 114 years—through wars, panics, booms and depressions—the National Shawmut Bank has paid its depositors *promptly, in full, on demand*.

Your money—in the Shawmut Bank—is backed by the amassed strength, safety and prestige of Shawmut's combined assets and experience.

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Whatever the future may hold, we at Shawmut will continue to do our best to help your business, *all* business, meet the requirements of normal healthy growth and expansion.

- Let's keep America prosperous.
- Let's keep labor employed.
- Let's protect the buying power of our money.
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AND HAVE THE MONEY TO BUY IT!**

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cares about
coffee before it
reaches the
POT?



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And whether his plantation be in Brazil, the West Indies, East Africa, or elsewhere, he makes sure that the investment his yield represents is amply protected.

Americans owning coffee plantations find protection right here at home, through the member companies of the American Foreign Insurance Association!

In this enterprise, as in so many others owned here but located abroad, AFIA provides "close-fitting" protection. With coffee, protection through AFIA takes over at harvest time, and follows the crop through successive stages of drying, curing, transporting, roasting, packing, and shipping to final destination.

That protection not only is "close-fitting"—it is solidly based. AFIA's 26 outstanding member companies make it sound beyond question. AFIA's experience makes it possible to service that protection efficiently, no matter what the risk.

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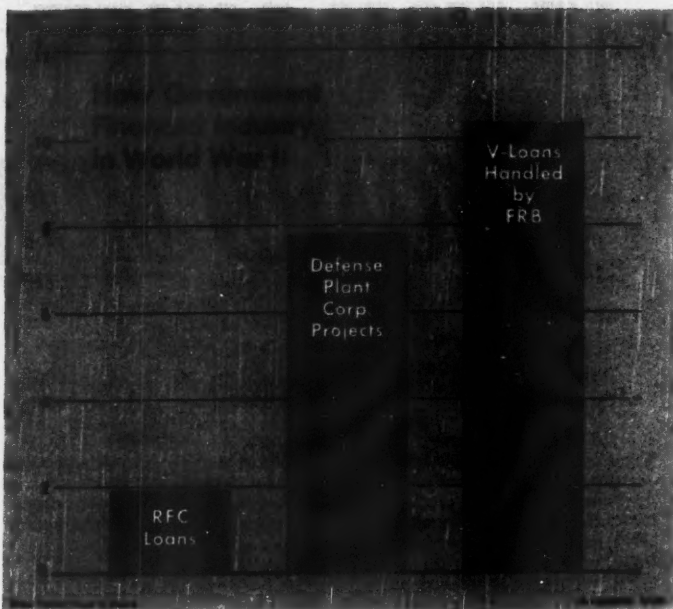
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FINANCE



Lineup for Defense Capital

Government loan program to aid defense industries is back in operation again. Most short-term financing will be by V-Loan. RFC long-term handouts will not be so easy to get as in World War II.

If you get a defense contract, the government will see that you also get the money you need to go to work on it.

The Defense Production Act, passed last month, gave the President power to set up a loan program with the sky as the limit. Since then, Federal Reserve Board, Reconstruction Finance Corp., and other agencies have worked feverishly on the machinery for passing out the cash.

• **First Customer**—Already the first loan customer has appeared at the window. He needed working capital to fill a military order for wire, and his bank couldn't handle it alone. His application got fast attention, and he has his money by now. In a matter of weeks, the agencies will be thoroughly prepared to service thousands like him.

• **V-Loan**—Lending procedures that were hammered into shape over a long period during the last war are the backbone of today's system. The V-Loan will probably be the most important of the government lending programs this time, as it was during the last war (chart). Again the Federal Reserve Banks are empowered to guarantee all

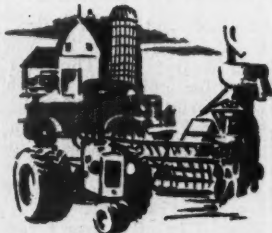
or part of defense loans made by banks in their districts. The request for guarantee has to be certified as essential by the armed services.

The maximum rate of interest a contractor will have to pay is again 5%. The local bank has to split the proceeds with the Federal Reserve Bank to pay for the guarantee. To keep guarantees as low as possible, the Federal Reserve Bank's share of the interest rises steeply as guarantees rise over 75%.

• **\$100,000 Quick**—The wire manufacturer got a V-Loan. He had a government order for \$300,000 worth of his product. To fill it, he needed \$100,000 for materials and wages. But his local bank, knowing his assets and his credit standing, thought his line of credit should only be \$25,000.

So when the man came in for money, the local lender filed an application for a 75% guarantee with the Federal Reserve Bank in the district. The district bank forwarded the application to Washington the same day. While waiting for an O.K., it checked the borrower's credit. Meanwhile, in Washington, FRB shot the request over to

*We all live better
today... thanks to
the mechanized farm*



The farmer is able to produce more food in fewer man-hours and with a fairer return, thanks to mechanized equipment. Result: far better living for us all. For the city dweller shares when the farmer gains. But mechanized equipment couldn't run without dependable parts. And that's where R/M comes in.

Pay a visit to a mechanized, well-run farm, and you're almost sure to find parts made by Raybestos-Manhattan. Brake linings, clutch facings, fan belts, and hose for the tractors, trucks, and cars. V-belts for the combine, flat belts for the thresher. Spray hose for the orchard. Molded rubber parts and gaskets for the milking machines. Manufacturers of all these time-saving devices know they can count on R/M performance. And the farmer knows that R/M replacement parts have the dependability that insures production and steady income.

But furthering the efficient operation of American agriculture takes only a part of the production of the four great R/M plants and laboratories specializing in asbestos and rubber. Almost every phase of industry... indeed almost every individual... is served by something R/M makes. Asbestos textiles and packings for hundreds of uses, a specialized line of grinding wheels, rubber covering for paper machine rolls, rubber lining for chemical tanks are only a few of the products which R/M produces.

If you have an industrial or automotive need involving asbestos or rubber, get in touch with the proper representative by writing to Raybestos-Manhattan, Inc., Passaic, New Jersey.

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EXTRA and REGULAR DIVIDEND

The Board of Directors has declared an extra dividend of twenty-five cents (25¢) per share on the Common Stock, and also the regular quarterly dividend of fifty cents (50¢) per share on the Common Stock, each payable November 15, 1950 to stockholders of record at the close of business October 27, 1950.

EDWARD BARTSCH
President

September 19, 1950

It pays to do business in New York State!

If you sell to business, you'll find 571,400 separate enterprises in New York State—good customers for all kinds of supplies and equipment. Of these, 59,400 are factories—requiring vast quantities of raw, semi-processed and finished materials. Nowhere else are so many business customers available in such a concentrated area. For more facts, bearing on your own business, write today to N. Y. State Dept. of Commerce, Room 113, 112 State Street, Albany 7, N. Y.

a certifying officer at the Pentagon and got approval in a matter of hours. The district bank was notified by teletype, the local bank by phone, and the cash was made available on the spot.

• **Long Term**—Now suppose the wire-maker had had a \$3-million order and needed a loan of \$1-million, for new machines as well as working capital. His local bank would probably have had to turn him down cold; banking laws forbid loans that exceed 10% of a lender's combined capital and surplus. And anyway, if machinery were involved, the maturity required would tie up the money for too long. So the contractor would have to turn to his procurement office for help.

During the last war, the procurement office probably would have sent him to RFC. RFC made \$1.9-billion worth of long-term 4% loans during the war, on very low collateral requirements. They were called National Defense Loans.

• **Smaller Share**—This time, however, RFC probably won't get such a big share of the long-term business. Right now the corporation hasn't even been told what its lending job will be; the Budget Bureau, which works out areas of responsibility, is still conferring with the various guaranteeing agencies on possible alternatives to direct, long-term financing such as RFC produced.

Procurement agencies want some alternative because they know that once a contractor has RFC money free and clear, they lose one control over his operations. They would rather see a contractor first apply for one of the other kinds of aid spelled out in the defense act.

• **Advance Payment**—Simplest way of all would be for the contractor to get advance payments from the procurement office he's dealing with. The money could be doled out in amounts scaled to the contractor's performance. Trouble is this would help only a relatively few prime contractors.

• **GSA**—Material suppliers will have no prime contracts, but the government has power to purchase materials. So the General Services Administration could help out a copper producer, say, by contracting to buy any part of his output for years to come, then advancing cash against delivery.

To a subcontractor, GSA could lease machinery. Or a certificate of necessity permitting accelerated amortization of any new facilities might be the answer.

The kind of help a contractor gets will depend on how much he wants, the purpose, and the amount of cash available for advance payments or for purchases of output and equipment. Only when such funds are fully committed will the contractor be sent to RFC with the certificate that will get him some of the \$2-billion Congress has authorized.

Twin City Brawl

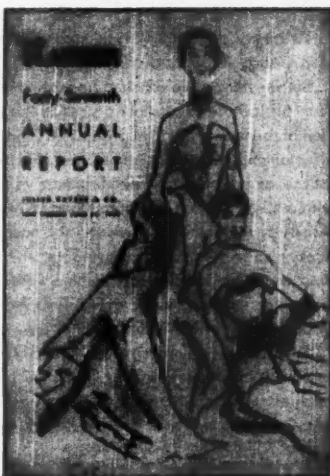
Rapid transit company snarled in stockholder fight, plus state investigations and even hints of racketeer angles.

In Minneapolis and St. Paul, Minn., the trolleys and buses are run by Twin City Rapid Transit Co. This week Twin City is the subject of a rhubarb that involves two intracompany factions, the state Railroad & Warehouse Commission and a special investigator appointed by the governor. There are even charges flying around that racketeers are involved—or would like to be.

• **Bad Times**—Like other transit concerns (BW—Nov. 12'49, p86), Twin City had rough sledding in prewar years. The company got way behind on its preferred stock dividends. Then during the war things picked up.

About that time an alert electrical-goods wholesaler from New York, named Charles Green, became interested in Twin City. He started buying its common stock in 1944 for as low as \$6 a share. He kept on buying in the next few years at prices ranging from \$4.67 to \$24 a share.

• **Refinancing**—In 1945 and 1946, Twin City's 7% preferred stockholders, who had back dividends of \$49 a share com-



Finance with Flair

BUSINESS WEEK's award for most chi-chi annual report of the year goes to Julius Kayser & Co. Kayser makes hosiery. The inside of the report doesn't quite come up to the cover. Sales were off 20% for the year ending June 30. Profits were \$1.1-million, off 12%.

ing to them, accepted three shares of a new 5% preferred issue in exchange for each share they held, plus arrears. That made it possible to start paying preferred dividends; and they have been coming through ever since. The company was even able to pay common stockholders a \$1 dividend late in 1946.

Then earnings fell off. So Green and eight other big stockholders, mostly Midwesterners, decided to do something. After two proxy fights they got control of the company. The group put Green in as president last November. The plan was that he should run things for a year or two until Twin City was in better shape. Another member of the group, a Minneapolis attorney named Fred Ossanna, was made company counsel.

• **A Loud Voice**—Green proceeded to make himself heard in the Twin Cities. He loudly demanded a higher trolley fare and criticized city officials for not relieving his company of some of its taxes and street maintenance charges. He even threatened to liquidate as much of the company as was legally possible.

Feeling that Green was being too aggressive, his directors last May told him to keep quiet. They appointed Ossanna as company spokesman and gave him considerable authority.

Green says that members of the state Railroad & Warehouse Commission told him in June that his company wouldn't get a rate increase unless he resigned. So Green stated he would offer his resignation at the next directors' meeting, in September. The rate increase came through soon after. Green had already sold his 19,200 shares of common stock for \$12 a share. He says he made over \$100,000.

• **State Commission**—Then, late in August, Leonard E. Lindquist, chairman of the state Railroad & Warehouse Commission, announced he had been informed that "racketeers" were trying to get control of Twin City and use it as a cover for illegal purposes. Ossanna heatedly denied that any stock manipulation was going on. But Green offered to cooperate with Lindquist in an investigation of stockholders.

That set off an internal squabble which ended with Ossanna's ouster as counsel at the directors' meeting in mid-September. Green was asked to stay on as president.

• **Whose Stock?**—Now Lindquist and Benedict Deinard, a special investigator appointed by Gov. Luther W. Youngdahl, are trying to find out the identity of the owners of blocks of Twin City stock held in brokers' names. These blocks have been accumulating in the last few months, now amount to nearly half of the 230,000 shares of common stock outstanding.

So far, Lindquist has only been able

Better Rubber Products are
made with Du Pont Neoprene

KEEPS AIR HOSE FROM LOSING ITS BREATH

Neoprene cover on compressor hose resists
deterioration . . . neoprene tube prevents clogging and blowouts

In the intense activity of construction jobs, air hose faces a severe endurance test. It is called upon to deliver a steady flow of power while under constant attack from abrasion, oil and grease, weather and heat. And here, where breakdowns often mean serious bottlenecks, construction men can rely on compressor hose with cover and tube of Du Pont neoprene. For a neoprene cover withstands the punishment of yanking and dragging over jagged surfaces . . . resists deterioration from broiling sunlight, moisture and ozone. And even hot oil in the air stream won't disintegrate a neoprene tube—so no crumbled particles can clog tools.

Such reassuring dependability can be found in an ever-widening range of excellent products. On industry's toughest jobs, neoprene adds superior performance, longer service life and lower

maintenance. It withstands heat and abrasion in transmission belts . . . flex-cracking and permanent distortion in flexible machine parts . . . weathering and abrasion in wire and cable.

And every year, various combinations of these remarkable properties are compounded into the millions of pounds of neoprene used by rubber manufacturers for their finest-quality industrial and household products.

So when you have a tough job for a resilient product to do—think of Du Pont neoprene first. Ask your rubber manufacturer or tell us about your problem. While we do not make finished products of neoprene, we'll be glad to help you and assist in finding a source of supply.

Rubber Chemicals Division
E. I. du Pont de Nemours & Co. (Inc.)
Wilmington 98, Delaware

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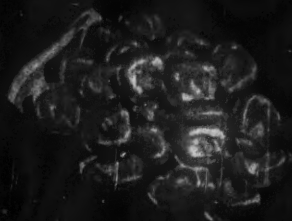
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These and hundreds of others work with diligence, ingenuity, and skill to make Americans the best fed people in the world...

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EASIER! *to operate than your car*
IT DOES MORE WORK!

BETTER! *neutral tests prove*
IT DOES MORE WORK!

**HERE'S A COMBINATION DESTINED TO MAKE
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• The husky and versatile gas-powered Carloader fork-lift truck of 3,000-, 4,000- and 5,000-lbs. capacities, has done more than any other one model to establish Mechanized Materials Handling as essential to modern high-speed, low-cost production.

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This combination of CAR-LOADER* and DYNATORK* DRIVE constitutes a forward step of enormous significance to the science of Materials Handling. You'll want to know all about it. A Clark bulletin will bring you the facts in convenient form. Write for it . . . or simply fill in the coupon and mail it.

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to get one broker to tell the names of the real owners of stock left with him. Several others have challenged Lindquist's right to the names. So the Hennepin County District Court is studying the briefs of both sides to decide whether Lindquist has power to subpoena such records.

Lindquist won't say what he means about the "racketeers," or to what illegal uses they would put Twin City if they got control. He said he will tell everything as soon as the court is ready to hear him.

All Big U.S. Cities Were in Red Last Year

All the larger U. S. cities ran into the red in 1949. A report just issued by the Census Bureau on the finances of the 37 largest U. S. cities tells the story.

"Large-City Finances in 1949" covers the governments of the cities which had over 250,000 people at the 1940 census. About one quarter of the U. S. population lives in these municipal areas. The report doesn't include fiscal affairs of special districts, authorities, and other local governments.

In most cases, the city fathers had little or no choice about running deficits. They had to boost their capital budgets by \$135-million last year to build schools, hospitals, roads, and other things. A lot of this expenditure was a heritage from World War II, when cities couldn't do much building. • **\$300-Million Off**—The bureau found that every one of the 37 cities spent more in 1949 than it took in. In 1948, 30 showed a deficit; in 1947, only 27 did. In all, they spent over \$3-billion last year. But even though revenues were rising, they collected only about \$2.7-billion.

One comforting note: The bureau found that the trend toward higher expenses and higher revenues was tapering off. Expenses rose 10% in 1949. They had risen 17% in 1948, 19% in 1947. Revenues, too, climbed 6% last year, compared with 14% in each of the earlier years.

• **Outlay, Income**—Capital expenditures were responsible for a lot of last year's red ink. They totaled \$448-million. Operating expenses rose only 7.2%, not much more than revenues.

About half of municipal revenues came from property taxes, about 20% from state and federal aid, 18% from sales and other taxes, and most of the rest from fees. The fastest-growing source of revenue is sales and gross-receipts taxes. Slowest-growing source is the property tax, which brought in only 3% more than in 1948. Total assessed valuation of city property was up only 5.2%, to \$61.7-billion.



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ESTIMATE... PHONE YOUR LOCAL
GOLD BOND APPLICATOR**

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Lydick-Browne Roofing Co. Albuquerque, N. M.
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J. M. Suttler Acoustical Co. Charleston, W. Va.
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Geo. W. Wallace Chattanooga, Tenn.
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F. A. Kamp Flooring Co. Cincinnati, Ohio
H. A. Erf Acoustical Co. Cleveland, Ohio
South Texas Materials Co. Corpus Christi, Texas
Acoustic Builders Specialty Co. Dallas, Texas
Myron Cornish & Co. Dayton, Ohio
John C. Reeves & Co. Denver, Colorado
N. H. Wiklund & Co. Des Moines, Iowa
Turner-Brooks, Inc. Detroit, Mich.
Lee Building Specialties Co. Eau Claire, Wis.
Southwest Acoustical Co. El Paso, Texas
General Insulation Co. Evansville, Ind.
Lydick Roofing Co. Fort Worth, Texas
Healey & Popovich Fresno, Calif.
Northwest Michigan Acoustical Co. Grand Rapids, Mich.
Better Homes Inc. Hagerstown, Md.
J. A. Walsh & Co. Houston, Texas
General Acoustic & Supply Co. Indianapolis, Ind.
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Jacksonville Tile Co. Jacksonville, Fla.
Eustis Lancaster Associates Johnson City, Tenn.
Cokerrell Engineering & Fireproofing Co. Kansas City, Mo.
Eustis Lancaster Associates Knoxville, Tenn.
Acoustical Engineering Co. La Crosse, Wisconsin
Crawford Door Sales Co. Little Rock, Ark.
The Sound Control Co. Los Angeles, Calif.
Braun Acoustical Co. Louisville, Ky.
Southwest Specialty Co. Lubbock, Texas
Acoustical Contracting Co. Merrill, Wis.
Russell Flooring Company Miami, Fla.
Acoustical Sales & Engineering Co. Miami, Fla.
Schauer Co., Inc. Milwaukee, Wis.
Hansenstein Co. Minneapolis, Minn.
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Porter-Trustin Co. Omaha, Nebraska
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Standard Floor Co. Pittsburgh, Pa.
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Modern Floors, Inc. Roanoke, Virginia
Johnson-Olsen Floor Coverings, Inc. Rockford, Ill.
L. H. Clawson Co. Sacramento, Calif.
Utah Pioneer Corp. Salt Lake City, Utah
Heat Control Insulation Co. San Antonio, Texas
Morrison-Hope Co. San Bernardino, Calif.
Northwest Sound Control Co., Inc. Seattle, Wash.
Midwest Acoustical Co. Sioux Falls, S. D.
Rhodes-Redier Co. Springfield, Ill.
Queen City Wood Works & Lumber Co. Springfield, Mo.
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Ever hear of Noble Cowles' plan for killing office noise?

WHO'S Noble Cowles? He's the Gold Bond Acoustical expert at National Acoustics,* New York City. He's one of 73 factory appointed sound control engineers located in key cities across the country.

What's the Plan? It's a 2-Way Sound Control Plan—the most complete Sound Conditioning service you can get.

So if banging doors, clacking typewriters and buzzing voices are making your office a bedlam, call in your local Gold Bond Applicator today (listed in your phone book under "Acoustical Contractors"). Each one is an expert at de-noising offices in a hurry.

Here's how this 2-Way Sound Control Plan works:

1 EXPERT SERVICE AND INSTALLATION.

Find the name of your local applicator in the list at left. He'll be glad to talk over your noise problem at no cost or obligation to you. He'll show you samples of all five Gold Bond acoustical products and tell you which is best for the job. And his expert, factory-trained crews will work nights or on weekends so they won't get in your way.



BUSINESS AS USUAL. Your Gold Bond Applicator will sound condition your office at night or on weekends.

2 FIVE PRODUCTS TO CHOOSE FROM.

Every sound conditioning job has its own problems. Your office may have an unusual ceiling design. Or you may have very little money for modernizing purposes. That's why Gold Bond makes not one but five different Acoustical products to cover every possible need and meet any budget.



BEAUTIFUL RESULTS. A big variety of washable and repaintable surfaces and colors, priced to fit your budget.

PHONE FOR YOUR FREE SOUND CONDITIONING ESTIMATE NOW

Why put up with annoying office noise a day longer? Call the nearest Gold Bond Acoustical Applicator listed at left. Or write Department BW-10, National Gypsum Company, Buffalo 2, New York.

You'll build or
remodel better with

Gold Bond
Acoustical Products

NATIONAL GYPSUM COMPANY • BUFFALO 2, N. Y.

you have a

temperature

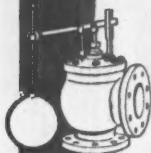
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liquid level

control problem?

Looking for automatic regulating valves, standard or special? Let Klipfel "know-how" work for you. Our engineers are valve men of long experience, but also receptive to your ideas. Our plant is close-knit and fast-moving, with unusual facilities.

Illustrated is a Klipfel Float Valve, one of many described in detail in Bulletin No. 349. Ask for your copy.



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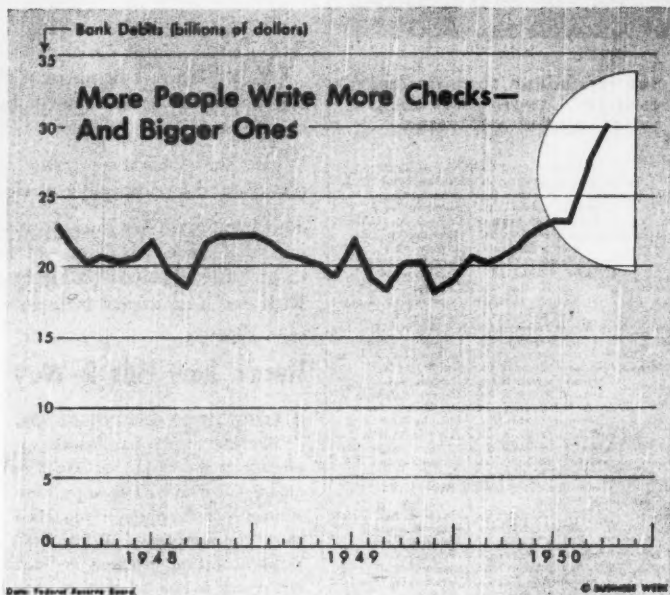
"25 Years of Service to American Industry"

FINANCE BRIEFS

Kaiser Steel's financing deal (BW—Sep. 16'50,p104) is now official. The company filed a statement with SEC calling for issue of \$60-million in 3½% first mortgage bonds and \$40-million of preferred and common stock. The stock will be sold publicly.

GM stockholders approved the 2-for-1 stock split (BW—Jun.10'50,p28). The move will give GM about 88-million shares, more than any other company in the world.

Niagara Hudson Power registered with SEC a \$40-million issue of 30-year mortgage bonds. Proceeds will be used mainly to pay off \$20-million in bank loans and a \$16-million bond issue.



It Seems There Were Two Irishmen

Their names were Pat and Mike. One day they heard there was going to be a carnival outside of town, and they decided they could make a killing selling beer.

So they scraped up all the money they could—which came to exactly \$5—bought a keg of beer, put it on a wheelbarrow, and started for the carnival.

It was hot pushing the wheelbarrow. When Pat reached in his pocket for his bandana to wipe his forehead, he found a dime he had overlooked. He wiped his face and thought a while. Then he said, "Mike, I'm going to buy a glass of beer."

So he gave Mike the dime and took a long pull on the spigot.

They went on a ways, and then Mike said, "Pat, I'm going to buy a glass of beer."

So he gave Pat the dime and took a pull on the spigot.

They went on a ways, and then Pat said . . .

And in the end there were two plas-

tered Irishmen, an empty keg, and a dime.

• **High-Velocity Dime**—That story illustrates the velocity of circulation of money supply. Economists have been telling it for years. The idea is that the amount of money isn't the thing that counts; it's how fast you turn it over.

If you look at the figures on total bank debits in the U.S., you can see signs that money is turning over faster all the time now. This, even more than the rapidly growing supply of bank deposits (BW—Sep.23'50,p94), shows the inflationary pressures that are at work. It is swelling purchasing power, bidding up prices.

Ever since the 30's, we have been used to a low velocity of circulation. We've never used our war-inflated money supply as intensively as we did our prewar funds.

But the money is there—in the form of bank deposits and currency—and the way it is turning over now lends new point to the old story of the two Irishmen.

This advertisement is published to keep you up to date on the industrial uses for nylon textile fibers. Although demand for nylon still exceeds supply, you may wish to evaluate its possible future applications in your own business. Note: Du Pont makes only the fiber—not the nylon fabric or finished product.

NYLON PUTS SPRING IN A RUG-CUTTING STEP

The length of rope you see on this rug-weaving loom is another example of the way Du Pont nylon fibers can increase the life of a production item.

The rope yanks a knife through a row of yarn loops. It's this operation which forms the pile of the rug. Every three seconds, the knife cuts open hundreds of loops. Each time, there's a sudden strain—often as much as 5000 pounds—thrown on the rope.

These shocks soon begin to weaken ordinary rope—and, in two months or so, replacement is necessary. But the rope you see on this loom has been in service for nearly two years. And it is still in good shape. That's

because it is made of nylon . . . and nylon is resilient as well as strong. This resiliency gives the rope a built-in shock absorber . . . enables the rope to take such sudden strains without breaking.

Nylon's extra properties prove useful not only in rope, but in countless other products. Perhaps nylon has the something extra to improve your production process . . . to help you make a new or better product.

Nylon is tough and durable . . . has high abrasion-resistance. It resists deterioration by petroleum oils, soil rot, alkalies, mold and mildew. In addition, nylon fabrics can be heat-set to hold shape.

INFORMATIVE BOOKLET "Nylon Textile Fibers in Industry" will bring you up to date on nylon's performance in industry. When you write for your copy, tell us your fabric or fiber problems. Nylon Division 110, E. I. du Pont de Nemours & Co. (Inc.), Wilmington 98, Delaware.

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...THROUGH CHEMISTRY

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Don't risk loss of loose leaf records when safety costs so little. The NEW LOW COST Liberty Storage Binder with all metal hinges and the famous Liberty Permanent Self-Locking Binding Posts will protect your records from loss. The strength of the Liberty Storage Binder together with the permanent locking of the Liberty Post will keep your records neat, clean and ready for reference. Liberty Storage Binders provide the safe method for storing all loose-leaf records and forms.

FREE CATALOG

Write today for circular and catalog of Liberty Record Storage Products.



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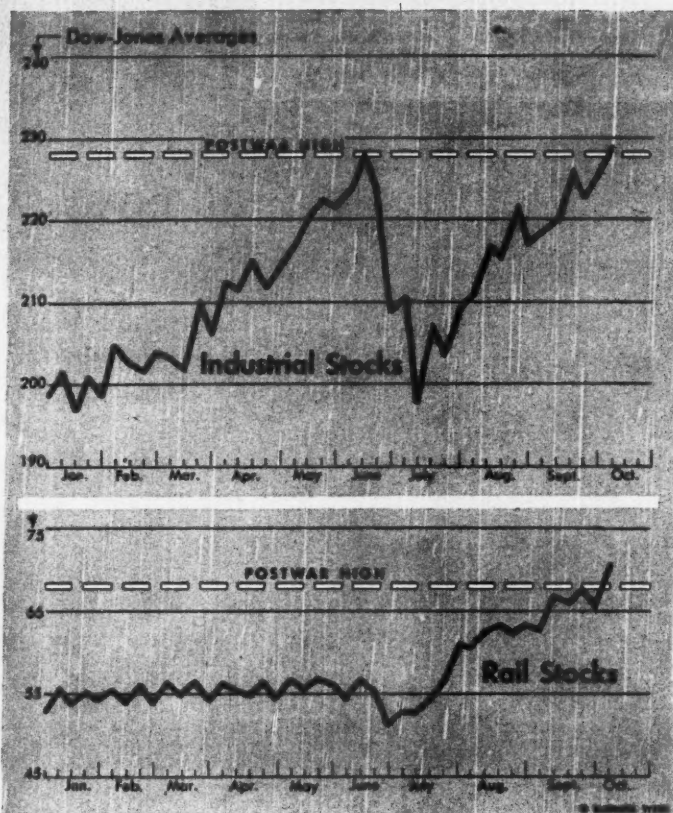
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THE MARKETS



Bull Signal's On! So What?

Industrials and rails both pass previous highs on same day, but few traders now follow the Dow theory that this means a prolonged rising market. Sometimes it doesn't work.

According to the Dow theory, you will never get a plainer bull signal from the stock market than the one you got this week. But now the Street is wondering what to do about the signal. For there aren't many Dow theorists left.

The Dow-Jones industrial and rail averages both went through their previous highs on the same day. The industrials went above their postwar high of 228.38, established just before Korea. The rails, for the first time, passed their 1946 high of 68.31.

• "Confirmation"—If you're a simon-pure Dow theorist, this marks the official start of the bull market. The industrial average broke through its 1946 top back in April. But the rails had

to do the same thing to "confirm" that a bull market was about to start.

The catch is that Wall Streeters have been burned several times in recent years by signals like that. In 1948, for instance, the rails went through their 1947 high and were confirmed a few weeks later by the industrials. The bull market then proceeded to peter out.

Then in June, 1949, just before the bull market got started, both D-J averages went down to new postwar lows (BW—Jun. 18 '49, p104). That was supposed to be positive proof, according to the Dow doctrine, that a prolonged bear market had begun.

• **World News**—That's why Wall Street is taking the market's advance to new

There's a good chance that traders will be happy about a semiwar economy—with no war. But if the military situa-

Standard & Poor's Weekly Indexes (1935-39 = 100)

* Registered since Korean incident started. ** New 1950 high.

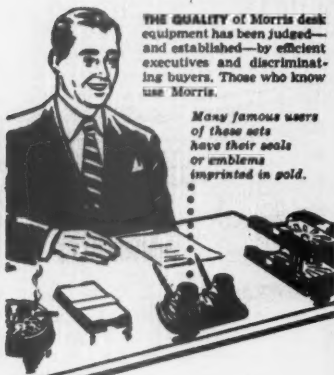
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MORRIS DESK EQUIPMENT

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QUALITY, EFFICIENCY, AND YEARS OF SERVICE have made Morris desk equipment the choice of exacting business men. The complete desk setting shown, pen set, memo pad and holder, file trays and ash tray, retail for little more than the cost of one higher priced, yet comparable fountain pen set. The equipment designed to meet every requirement of the executive or the routine worker.

MORRIS-MATCHED DESK SETS

THE SYMBOL OF GOOD TASTE IN DESK EQUIPMENT



MORRIS LETTERTRAY... Two point suspension allows complete freedom of access from the entire front and sides. Strongly constructed tiers are quickly added, either letter or legal size.

\$2.50 letter, \$2.75 legal



MORRIS FOUNTAIN PENS... A balanced pen for long hours of comfortable writing—has 5 different quick "thread-in" replaceable points for every purpose. Choice of eight colors.

From \$2.75 single, \$8.00 double



MORRIS MEMO PADS... Paper is readily accessible, yet always kept neat by gold plated bar that drops as paper is used. Plenty of room for your engraved name here. Choice of colors. \$1.00



MORRIS REST... The "all-round" writing implement. Satisfies routine workers and demanding executives alike with instantaneous, efficient, smooth writing. No refilling or flooding—holds many months supply of ink. Choice of nine colors. From \$3.50 single, \$9.50 twinset

MORRIS PHONE REST... The easily adjusted phone rest that holds without crimping your shoulder or straining your neck. For the Executive, the Secretary or the home. Have both hands free, saves time, makes life easier. \$2.50



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NEW NLRB COUNSEL G. J. Bott is pretty much an unknown. Consensus is . . .

"It Could Have Been Worse"

That's the wary reaction of labor and management to Truman's appointment of George Bott as successor to Denham in labor board post. As a career man, he's done a good job.

"President Truman could have done a lot worse."

That, in a nutshell, is the first reaction of labor and management to the surprise appointment of George J. Bott as general counsel for the National Labor Relations Board. Bott, 40, is a Democrat and a career man in NLRB.

This lukewarm appraisal of the successor to the deposed Robert N. Denham may be more of a help than a handicap. The very fact that everyone is cautious but not critical may smooth his way in one of the toughest jobs in government.

• **An Unknown**—As Washington figures go, Bott is an unknown, one of the hundreds of men in the capital who have done a good job over the years without any publicity.

He joined NLRB's staff in 1937 as a field investigator. He worked up through the ranks to be regional director for NLRB in its important Chicago office. Then, in 1948, Denham called him to Washington to become associate general counsel in charge of NLRB field operations.

In every job, Bott stayed very much in the background. When his appointment was announced last weekend, Washington newsmen could find no pictures of him; no clippings or speeches could be located to tip off his views on the Taft-Hartley law; congressional records didn't help out with Bott testimony on what should—or shouldn't—be in a federal labor law.

This accounts for most of the caution over the President's interim appoint-

ment. Nobody seems quite sure, yet, just how Bott will fit into the T-H controversy.

• **Labor's Views**—Unions had two candidates for the T-H job—Ivar Peterson, an aide to Sen. Wayne Morse, or Peter Seitz, general counsel for the Federal Mediation & Conciliation Service. Labor considers both to be "definitely friendly" to its views on T-H.

When Bott's appointment came through, both AFL and CIO hurried to say that they expect him to be "eminently fair" in administering T-H—and that they no longer fear the harassment of "an antilabor interpretation of T-H regulations."

Privately, they say that they'll have to wait and see how Bott works out.

• **Management's Views**—On the other side of the fence, businessmen say they have nothing against Bott—but they feel he will give unions the benefit of the doubt whenever there is one. And they are afraid he will be "too much under the influence of NLRB members and too steeped in Wagner act labor philosophy."

That is about the way Denham himself sizes up his successor. The fact that Denham brought Bott to Washington doesn't mean that Bott shares Denham's ideas on T-H. He was chosen as an administrative assistant, had little to do with policy matters under Denham.

• **And NLRB's Views**—Bott's associates—on NLRB and its staff—mostly agree that Bott will make a good general counsel. They say he will not be hard to get along with. They don't expect any of the dissension between board and counsel that marked Denham's tenure and led to his recent ouster (BW—Sep. 23 '50, p112).

Bott has kept aloof from NLRB politics. He has worked on every phase of NLRB case-handling except trial examiner—so he understands staff and board problems. He was clerk in the Sixth Circuit Court of Appeals for two years and knows the court angles.

Moreover, he has already shown a willingness to play ball. His first official move was to reinstate NLRB's information director, Louis G. Silverberg, as public relations man for the general counsel's office, too; Denham refused to let Silverberg act for him.

Then Bott announced that he will give NLRB complete details of every case on which he sits as appeal officer from regional T-H decisions. Bott is final authority in appeals. In the past, NLRB has never had direct reports on the facts behind a general-counsel decision; Bott says that won't happen again.

In any event, it is now reasonably certain that Bott will get along with the board better than Denham did. That doesn't mean he will agree with NLRB all the time. As prosecutor and

News about steel

FROM U.S. STEEL SUPPLY

GRAY MARKET ??



• **BENJAMIN F. FAIRLESS**, President of United States Steel Corporation, recently re-affirmed the sales policy of the Corporation and all its subsidiary companies. He said: "Corporation policy... continues to be to sell steel only to bona-fide customers at regular published prices. We will decline to make sales to any purchaser who is found to have resold in the gray market, steel bought from the Corporation."

We know that you, as a steel buyer, are equally interested in making sure that outlets for steel entering the gray market are blocked. Success in this effort depends entirely upon the cooperation of all patriotic business organizations. The gray market siphons steel out of regular supply channels, and if we all help to curb this traffic there will be more steel available at published warehouse prices.

All employees of the United States Steel Supply Company, and especially our sales force, are exercising their best judgment in accepting and filling orders for steel. Inquiries are carefully scrutinized to insure equitable distribution to bona-fide steel users.

Be sure to contact us about your requirements. We'll do our best to provide you with the steel you need.

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Plus!

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UNITED STATES STEEL

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Comfortably Seated

IN HIS NEW WHITING CRANE

NEW CAB reduces "OPERATOR FATIGUE"

Fresh and alert after a full day at the controls—this operator *should* be happy! Gone for him are the long hours of standing at the "drums," fighting heavy control handles—leaning, twisting, straining to spot the load. Now he works comfortably seated in the new Whiting Full-Vision Cab, which provides excellent vision, a new ease of control, and virtually eliminates the old "crane operator fatigue." Management, too, knows that in its new Whiting, the company has the safest, most efficient crane that money can buy. Whiting Corporation, 15661 Lathrop Avenue, Harvey, Illinois.

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Automatic Control

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Fluid Drive

Liquid transmits power between motor and drums. Gives even acceleration, smoother operation. Its cushioning reduces maintenance.



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"TRAMBEAM" MONORAIL SYSTEMS



LIGHT CRANES

sole judge of what charges, if any, to issue against employers and unions, he's bound to step on many toes—including those of board members.

• **Congress Must Act**—How hard he does it may influence the volume of debate about him when Congress considers his appointment later this year. Truman let the selection of a Denham successor slide until after Congress recessed, to avoid pre-election debate. No matter whom he picked, the man was sure to face a lot of questions on specific applications of the T-H law.

Preliminary congressional opinions haven't been unfavorable. But supporters of the T-H law say they want to be sure Bott won't try to undermine the labor law by weak enforcement.

Musicians Can Picket Against "Canned" Song

AFL musicians trumpeted last week over "a major judicial victory" in their fight against "canned" music. The victory, a decision handed down by the New York Supreme Court (a lower court), gave AFL the legal right to picket an employer who uses records to do away with live entertainment.

The case involved an injunction that barred picketing of WINS, a small New York City radio station. Last April, the station decided to do without musicians after a dispute with the American Federation of Musicians over its job quota. It discharged its orchestra, began using only records.

• **Counteraction**—AFM posted pickets with signs accusing WINS of being "unfair" to live musicians. But New York laws bar picketing unless a labor dispute exists. WINS got an injunction on the grounds that it no longer had a contract with AFM, no longer hired musicians; there could be no labor dispute and no legal picketing.

Justice Aron J. Steuer of the State Supreme Court vacated the injunction after a hearing. He held that a labor dispute necessarily exists whenever "a union is fighting to maintain its employment against labor-saving devices which are in direct competition with human labor."

• **Limitations**—Such a situation, Steuer said, prevails in the entertainment industry. However, he warned, the case isn't comparable with one in which labor-saving devices "not directly competitive to human labor" are used to reduce human labor. The decision, he said, isn't a go-ahead sign for unions that object to technological improvements. And it's limited to picketing employers who used live music before.

AFM hailed the decision as the start of a campaign against the spreading use of "canned" music.

Meet Mr. Big

The customer, that is. Rhinelander Paper introduces him to its workers through series of novel promotions.

The customer is a pretty remote individual to the average workman in a manufacturing plant. The worker usually doesn't know where the stuff he makes goes, how it is used, or why the customer's specifications have to be met. Nor does he know the importance of keeping the customer happy in order to beat off competition.

• **Tell Them**—Rhinelander Paper Co., maker of specialized papers used largely in packaging consumer products, figures this is all wrong. If employees were aware of the customer's side, its executives reason, they would do a better job, develop pride of workmanship.

So Rhinelander has started out to tell its employees about its customers and how they use the different papers Rhinelander makes for them. Here's the way it is carrying out the project: • **NBC**—This week Rhinelander's 1,075 employees got a four-page pamphlet entitled "Meet the Boss." It was distributed with their paychecks. The pamphlet told them about National Biscuit Co., the products it makes, the kind of paper it buys from Rhinelander, how that paper is used, what could happen on the packaging line if the paper is improperly wound or spliced, and what competition Rhinelander must meet to hold National Biscuit's business.

Along with this pamphlet went a sample package of National's Ritz crackers. Company offices were decorated with promotional pieces supplied by National Biscuit, local dealers had store displays, the Rhinelander (Wis.) radio station carried special programs geared to the same theme.

• **Fifth of Series**—This was the fifth of these promotions. Previous ones have featured International Cellucotton Products Co. (Kleenex), Corn Products Refining Co. (Kre-Mel pudding), Pillsbury Mills (pie-crust mix), Adams Corp. (Korn Kurls).

In the weeks to come, similar promotions will be built around Kellogg Co. (corn flakes), Standard Brands ("Tender Leaf" tea), General Foods (Jell-O), General Mills, (Kix), Sawyers, Inc. (View-Master), Swift & Co. (ham), Sunshine Biscuits (crackers), Confections, Inc. (Cheezies), Mars, Inc. (candy bars), Peter, Cailler, Kohler (cocoa), Frito Co. (Fritos).

Where feasible, employees will be given samples. In some cases, such as Swift's hams or Sawyer's View-Master,

Reasons Why THE Finnell DRY SCRUBBER CLEANS FASTER... More Thoroughly

A unique combination of labor-saving features is responsible for the greater speed and thoroughness with which the Finnell Dry Scrubber cleans grease-caked floors.

Equipped with two powerful scarifying brushes, this Finnell digs through and quickly loosens even the most stubborn coatings of dirt, oil, grease, and shavings. Special couplings adjust brushes to floor irregularities, to get into indentations and grooves that rigid coupling brushes would pass over and miss.

To re-sharpen the brushes of the Finnell Dry Scrubber, simply flip the switch. That reverses the motion of the brushes and re-sharpens them automatically... while working. Eliminates the need for frequent changing of brushes by hand in order to maintain a good cutting edge.

Low construction makes it easy to clean around and beneath equipment, and the adjustable handle adapts the machine to operator's height for most effective working position.

Various types and sizes of wire scarifying brushes are interchangeable in the brush rings of this Finnell and, with other brush rings, the machine can be used for wet scrubbing, steel-wooling, waxing, and polishing. Ruggedly constructed. Has heavy duty G. E. Motor, oversize Timken Roller Bearings, special bronze worm gears, leak-proof gear case.

For consultation, demonstration, or literature, phone or write nearest Finnell Branch or Finnell System, Inc., 3810 East St., Elkhart, Ind. Branch Offices in all principal cities of the United States and Canada.

Reversible Switch
re-sharpens
brushes
automatically

Adjustable Handle
adapts
machine to
operator's
height

Low Gear Case
allows clean-
ing beneath
equipment

Flexible Brushes
adjust to
floor
irregularities

FINNELL

FINNELL SYSTEM, INC.
Pioneers and Specialists in
FLOOR-MAINTENANCE EQUIPMENT AND SUPPLIES

BRANCHES
IN ALL
PRINCIPAL
CITIES

Sub-Hunting Seaplanes must be Rugged to be Right

The Navy's new Martin P5M-1 is a tough customer—built to stand the pounding a seaplane takes in anti-sub operations from rough seas in dirty weather.



WITH their range and flexibility, seaplanes are potent weapons in our anti-submarine arsenal. Their job demands unusual strength in every part—plus excellent rough water characteristics. The new Martin P5M-1 has these qualities!

First postwar twin-engine flying boat developed for the U. S. Navy, the P5M-1 is built with extra toughness in hull, wing, tail, power plant installation and wing tip float. Its long after-body hull practically eliminates the conventional "step", makes landings safer and smoother without "skipping off", reduces pitching and bouncing even in rough water. And these same qualities make the P5M-1 ideal for air-sea rescue work, plus service as a cargo or general utility carrier.

The Martin P5M-1 combines the latest electronics and armament systems into a most effective weapon for the location and destruction of submarines. Designed to succeed the famous Martin PBM Mariner seaplane series, it is further evidence of the advanced aircraft-weapons engineering Martin offers its customers today! **THE GLENN L. MARTIN COMPANY, Baltimore 3, Md.**

Plan your future in aviation. See your Air Force, Navy or Marine recruiting officer.

Martin
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Builders of Dependable Aircraft Since 1909

Manufacturers of: Military aircraft • Martin airliners • Guided missiles • Rockets • Electronic fire control and radar systems • Precision testing instruments • **Developers and Licensors of:** Marang fuel tanks (to U. S. Rubber Co.) • Marform metal-forming (to Hydropress, Inc.) • Honeycomb construction material (to U. S. Plywood Corp. and Aircraft Die Cutters) • Structural adhesives (to U. S. Plywood Corp. and Bloomingdale Rubber Co.) • Permanent fabric flame-proofing (to E. I. duPont de Nemours & Co.) • Hydraulic automotive and aircraft brake **Leaders in Building Air Power to Guard the Peace, Air Transport to Serve It.**

employees who are to receive the products will be chosen by lot.

• **Hearty Welcome**—The idea for this employee-relations program originated with Alan E. Pradt, Rhineland's advertising manager. When he approached company customers for cooperation, he met with unexpected enthusiasm. Samples were freely given for distribution. Many lined up local dealers so they could participate and capitalize on the publicity.

Customers' interest was motivated by more than the desire to assist Rhineland; they saw in it an excellent chance to make a play for the local market at low cost. The paper company's employees and its families comprise almost half of the entire population of the city of Rhineland.

Since the program started, Rhineland has been receiving queries from companies all over the country; most of them ask for full details, indicate they are considering similar programs in their plants.

FSA Prepares to Count Our Scientific Noses

Defense planners want to know how many highly skilled technical people are available in scientific fields. So the Federal Security Agency and National Security Resources Board have set up a nose-counting project. When completed, it will provide a National Scientific Register, mainly for the guidance of FSA's Office of Education.

• **The Aims**—The project will include:

(1) Registration of scientific personnel—to do this faster, the project staff will work through national professional societies with extensive membership rolls. Additional information will be obtained through mail contacts with those on society rolls.

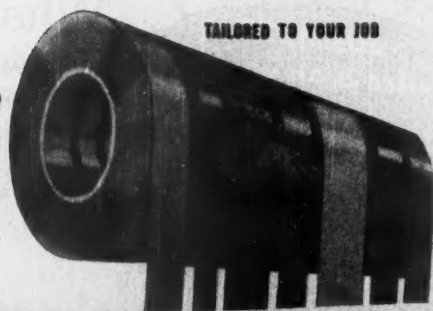
(2) Evaluation of the character and distribution of the national supply of scientific manpower. Information obtained through the nationwide registration will be analyzed in the light of present and potential requirements.

(3) Recommendations to the Office of Education on how to increase the number of specially trained people wherever shortages show up. For instance, there is already talk in project offices of government scholarships to insure more adequate manpower in some fields.

• **Not for Industry**—As now set up, the project isn't expected to have any direct usefulness for industry. The register isn't intended as a hiring or placement aid—it's just a statistical compilation.

Later, if war conditions warranted it, the register might be "opened on a limited scale to industry," according to John O'Brien, project director.

THE NEW
Polyken®
INDUSTRIAL TAPES



Fifteen levels below ground an air "life line" is sealed with new *Polyken* No. 822 polyethylene tape.

A tape that helps men breathe ... a mile underground

This is the story of how a new kind of tape helps get air to men a mile down under Kellogg, Idaho, in the Bunker Hill Mine.

Fresh air is forced under pressure in 16" ducts through miles of underground tunnels. Naturally, duct joints must be tightly sealed or leaks develop and endanger lives. Tape is the fast, economical way to do this, but no tape could be found that would long resist the acids and fungus and the intense humidity of the underground without rotting or cracking.

Our engineers recommended *Polyken* No. 822. One of our 129 special tapes, No. 822 has a polyethylene backing (an elastic plastic). Not only does this tape conform to irregular surfaces, it keeps its high adhesion and tension indefinitely . . . even

under conditions as unfavorable as those at the Bunker Hill Mine.

This is just one instance of how a tape that's "tailored to your job" can save you time and money—and in a case like this, maybe even a life! *Polyken* is the leader in this field, and we make this challenge: Let us study your particular problem. Nine out of ten times we'll come up with a tape that will do the job better, cheaper, and with less effort!

GET THIS FREE BOOKLET! To help you find the tape "tailored for your job," write for your free copy of "Tape is a Tool." Address *Polyken*, Dept. BW-2, 222 W. Adams Street, Chicago 6, Illinois, or see your *Polyken* distributor.

Polyken Industrial Tape, Department of Bauer & Black, Division of The Kendall Company

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THE FENCE THAT NEVER NEEDS PAINTING

Wire brushing and painting a fence are expensive and troublesome. You can forget these costly jobs when you install Copperweld® Chain Link Fence around your plant or home. For Copperweld Fence is made of Copperweld Wire—with a thick copper covering inseparably "Molten-Welded" to a strong steel core. This makes it rust-proof, corrosion-proof. It never needs a drop of paint.

Copperweld provides a sturdy, non-sagging fence that assures lifetime protection. It's the protective fence that protects itself. It costs less because it lasts longer.

Write today—for free catalog and sample of Copperweld Fence.

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Ask for my Special Prices on orders over 10 gallons total. Many firms save this way.

Nothing easier. Just mail me your list. I do all wrapping, addressing, mailing. Send check, M. O. and list TODAY. Delivery just before Christmas. 1/2 Gallon \$3.95 Postpaid • Gallon \$6.95 Postpaid

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Enclosed is \$..... Please send

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What About Draftees' Pensions?

Most retirement plans don't specify what happens to the rights of a worker who goes into service. The answer may depend on the fine print in your contract.

Almost all the big pension plans set up in the past few years specify exactly what happens to the rights of a worker who quits or is laid off. Few of them say anything at all about the worker who is drafted or called back into military service.

With the Army calling up draftees and reservists left and right, this blank spot has suddenly begun to worry unions and employers alike. And if there should be anything like a real manpower mobilization, it might be one of the biggest headaches of all.

• **Draft Act**—The Selective Service Act of 1950 isn't as explicit on pensions and insurance as on job rights, pay, and seniority. It only says that draftees are entitled to "participate in insurance and other benefits pursuant to established rules and practices relating to employees on (nonmilitary) furlough or leave of absence."

On the face of it, that appears clear enough. It means that the pension and insurance rights of a draftee depend pretty much on a company's rules, or contract provisions, regarding furloughs or leaves of absence. For instance:

Insurance must be continued for drafted employees if company rules say policies will be kept in effect for a worker on furlough or leave of absence.

Pension credits accrue for a worker on military leave if the rules provide that credits accrue for employees during a nonmilitary leave or furlough.

• **Precedents**—Courts supported a similar policy of treating military and nonmilitary leaves alike in deciding World War II vacation-pay cases. Unions didn't raise any strenuous objections then because the stake wasn't nearly as big. Now, with retirement pay involved, unions are more likely to make a fight of it.

Union leaders already are warning that they will challenge any company decision that might jeopardize "a drafted worker's normal retirement under an industrial-pension program."

• **Nationwide Plan**—The whole situation gives the unions another argument for a nationwide government pension system to replace individual private plans. And the prospect of piling up pension liabilities to drafted workers for an indefinite time makes many employers wonder if a national plan wouldn't be the best way to get off the hook.

• **Up to Courts?**—It took several years of litigation to interpret precisely the

meaning of World War II draft-act guarantees of job rights. Decisions simmer down to this: Returning veterans should neither gain nor lose by military service; they should return with exactly the same status as nonveterans of like seniority.

But, say the unions, veterans can't return on an equal status with non-veterans if they aren't given retirement-pay credits for service time. So the unions argue that pension credits—as seniority—should accumulate for the drafted worker on the same basis as for his benchmate who stays home.

• **Expensive, Complex**—From the employer's viewpoint that would be an expensive concession and a highly complicated one. Accumulated service credits toward retirement must be backed up with payments into the pension fund. If they're not, the financial underpinnings of a pension plan go bloomy.

Aside from the extra expense, there's the question of what happens if the employee decides not to return to the company. The employer can't reclaim payments made—so the company probably would lose all that it had paid in premiums for the drafted man.

• **Contract Safeguards**—Many of these pension and insurance questions will go to court—just as disputes over the meaning of "like status" did after World War II. Meanwhile, many companies are trying to forestall legal squabbling by negotiating "military service" agreements with their unions.

The steel industry has agreed to let pension credits accumulate during military service. The U.S. Steel contract, for instance, says that there shall be no deduction for time lost (in figuring pension credits) unless there is a "break in continuous service." And military service is not to be considered a break.

Most auto industry contracts, so far, treat military leaves just like nonmilitary leaves or layoffs. Veterans do not build up pension credits while in service.

Elsewhere, policies vary a lot. The Commerce & Industry Assn. of New York recently checked member companies' military-leave policies. Companies with noncontributory pension plans said, almost unanimously, that they will credit "permanent" employees for service time. Most companies with contributory plans—in which the employee pays part of the cost—said that they expect

to stop paying into draftees' accounts.

• **Guidance Coming**—Companies that have not yet formulated their policy on veterans' rights may get some guidance soon. The Bureau of Veterans' Reemployment Rights in the Dept. of Labor has prepared a handbook (available about Nov. 1) to answer some of the questions that will come up. However, employers shouldn't count on it to solve all their problems. It will take more than a handbook to settle the pension headaches.



Robert T. Creasey

Creasey of CIO In Labor Dept. Post

Robert T. Creasey, youthful (38) president of the Long Lines Division of the CIO Communications Workers of America, left that post this week to become Assistant Secretary of Labor.

Creasey, though nominated by President Truman, was the selection of the CIO to replace John W. Gibson, who resigned in August after serving five years as assistant and acting secretary. Gibson is former president of the Michigan CIO.

Gibson had wanted to resign since he was passed over for undersecretary in March, 1949, but stayed on at the President's urging. He also was promised important government posts outside the Labor Dept., but so far none has materialized.

CIO's choice of Creasey, a relative unknown, is reported to be a reward promised the CWA by the CIO when the then independent National Federation of Telephone Workers decided to affiliate with the CIO instead of the rival International Brotherhood of Electrical Workers (AFL).



...Mark of **PROGRESS** in Railroading



Call from the RED CABOOSE

"CABOOSE 247 calling diesel 734! ... Hot-box about 40 cars back ... better stop ... we'll look at it." This message by radio-telephone will bring this fast-moving freight train to a halt before trouble starts.

Previously, when a conductor spotted smoke pouring from the wheels of a freight car he would apply the air brakes from the caboose to stop the train. This often caused damage to cars and contents, and sometimes delays.

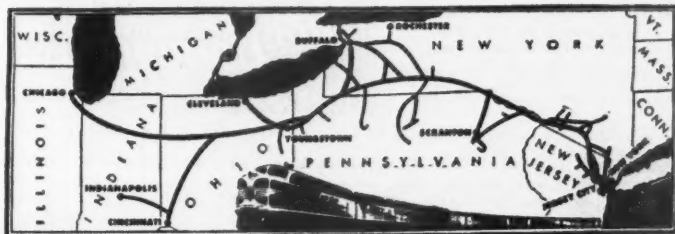
Erie's new radio-telephone system is so flexible it also allows communication with crews of other Erie trains, wayside stations, or train dispatchers. The system now covers 85% of Erie's thou-

sand miles of main line between New York and Chicago, with completion ordered, giving the Erie the first and most extensive radio system of any railroad.

Here again is another example of Erie's constant and progressive effort to assure safe, dependable railroad transportation.

Erie Railroad

Serving the Heart of Industrial America





Tall Tale

Speaking of sparkle, did you ever hear how Mose Humphries trapped the sun and hauled it along at the head of the fireman's parade? Took a ton of elbow grease, but Mose polished engine No. 40 till she shined so bright the sun never did set that day—it was too busy bouncing back and forth between the bell and the boiler.

to Fabulous Fact

Elbow grease used to be the most important element in any good polish—elbow grease and wax. Now polish makers add a Dow Corning Silicone product and save the elbow grease. In car polishes alone, that amounts to a net saving of about x-million tons of elbow grease so far this year. That's one of the peculiar things about these silicones. They spread themselves and polish without rubbing. Furthermore, they won't melt or freeze and they're more water repellent and more weatherproof than any organic materials. That kind of stability is one of the fabulous facts about all Dow Corning Silicone Products—fluids, greases, electrical insulating materials, resins or rubbers. That's why

*Dow Corning
Silicones Mean Business*

Write for your copy of our reference guide to Dow Corning Silicone Products. Ask for catalog No. E-22 or call our nearest branch office.

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FIRST IN SILICONES



IF YOU WEAR GLASSES try Sight Savers and see how exceedingly well silicones clean, polish and protect eyeglasses. SIGHT SAVERS are Dow Corning Silicone treated to KEEP YOUR GLASSES CLEANER.

10c at all drug and tobacco counters.

Iron Bars a Cage

Arbitrators call jail term a valid excuse for absence from work, rescind firing based on worker's home life.

Being in jail is a reasonable excuse for not being at work. And a man's private misdemeanors—including contributing to the delinquency of a minor—are no business of his employer's so long as he doesn't indulge on company time.

That's the gist of an arbitrator's decision in a dispute over contract terms between Quaker Oats Co. and one of its employees who ran afoul of a contract clause permitting discharge for any three-day "unexcused absence."

• **Long Service**—The employee is an elevator operator with 27 years service. Early this year, he was sentenced to serve 30 days for contributing to the delinquency of a minor. The court took into consideration the fact that the girl involved had entered the employee's room uninvited, and appeared to be about 25 years of age.

As soon as he started his sentence, Quaker Oats fired him. Obviously, he was going to be absent more than three days, and anyway, the company said, a man convicted of such a crime would do "irreparable damage to the company's goodwill."

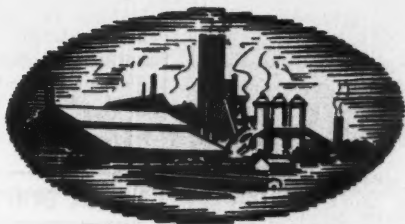
When the case went to arbitration under the contract, a three-man arbitration board held against the company. Pointing out that the man "had not gone out looking for trouble but the serpent of evil came to him and he did not adequately resist," the arbitrators argued that:

• The man's job involves no contact with the public, so the company wouldn't be hurt—as it might be, say, if the man were a salesman.

• Women with whom the man works testified that they had never had any complaint against his behavior; they signed a petition asking the company to rescind its dismissal order. (And one married him after his jail term.)

• Quaker Oats has long had a policy of hiring convicts released on parole—and this has "never affected its

The Pictures—Cover by Thomas O'Halloran, Harris & Ewing. Acme—25 (top rt., bot.), 125; Black Star—136; Lionel Crawford—91; European—30 (ctr.), 54, 56, 57; Int. News—19; Charles Rotkin—22, 23; Wide World—25 (top lt.), 30 (top lt., top rt.).



1900 ★ THE MIRACLE OF AMERICA ★ 1950

Freedom and Progress

It's no stretch of the imagination, rather, robust realism to call our past half century a Miracle—U. S. A.

America has set an amazing record of progress in 50 years—but a moment in the history of civilization. A record unequalled by any other political or economic system.

Merely by broad brush strokes, we can all visualize this miracle. Remember the crystal set, the hand-cranked car, the biplane? A far cry from our FM radio, television, hydro-matic drive and supersonic planes.

And here's another phase of the miracle that went hand-in-hand with these and the myriad of intertwined technological advances—ranging from the radio telephone and Bakelite to the X-ray tube and teletype . . . and to atomic energy and its untold potentialities.

- ☆ Since 1900 we have increased our supply of machine power $4\frac{1}{2}$ times.
- ★ Since 1900 we have more than doubled the output each of us produces for every hour we work.
- ☆ Since 1900 we have increased our annual income from less than \$2400 per household to about \$4000 (in dollars of the same purchasing power), yet . . .
- ★ Since 1900 we have cut 18 hours from our average work week—equivalent to two present average workdays.

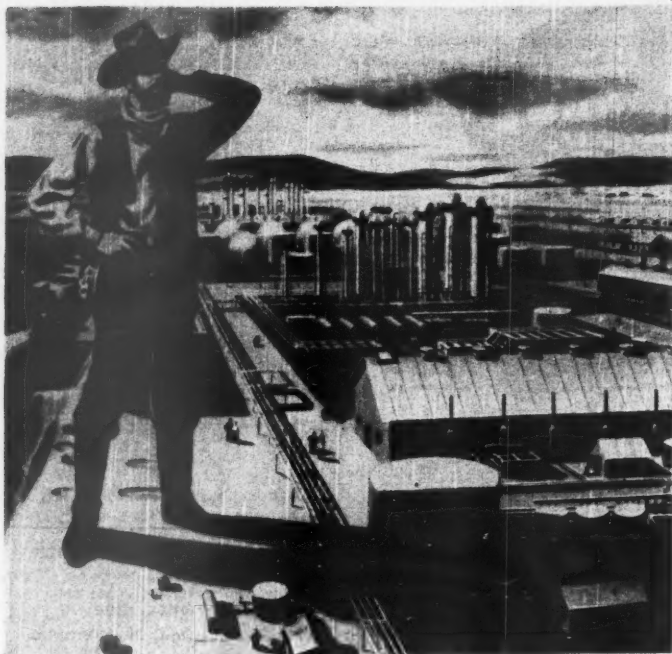
How did we do it? The basic cause for this composite miracle has been the release of human energy through FREEDOM, COMPETITION and OPPORTUNITY. And one of the most important results is the fact that more people are able to enjoy the products of this free energy than in any other system the world has ever known.

THIS IS THE MIRACLE OF AMERICA . . . it's only beginning to unfold.

Published in the public interest by:

BUSINESS WEEK





"Gad," said Kent Morgan, "my tall tales didn't compare to this progress"

Kent Morgan, romanticist, bard, teller of tall tales, in the early days of the great Southwest, would agree that the past half century has seen the Southwest emerge as the largest industrial area in the United States. Vast natural resources, assured low-cost power, temperate climate, and centrally located for low-cost distribution, an area offering management the geographical area ideal.

If your organization's plan includes capitalizing on the vast resources of the Southwest . . . it will benefit you to take advantage of Brown & Root's years of experience in this territory. A complete knowledge of soil, terrain, and climatic conditions may result in faster, more economical completion of your contemplated project. A request from you will put Brown & Root consultants at your service.



BROWN & ROOT, Inc.

Engineers • Constructors

P. O. BOX 3, HOUSTON 1, TEXAS

CABLE ADDRESS — BROWNILT

Associate Companies — • BROWN ENGINEERING CORP.
• BROWN & ROOT MARINE OPERATORS INC.

business, its public relations, or its labor relations." Arbitrators commented that if the worker had committed a felony, served five years, and then been paroled, the company "would probably have rehired him" under its rehabilitation program.

LABOR BRIEFS

A defense manpower office was set up this week by Secretary of Labor Tobin. Its job is to plan and coordinate manpower training, recruiting, and other activities assigned to Labor Dept. under the Defense Production Act.

The critical occupation list, which now contains 48 job classifications, will be enlarged shortly. Defense Dept. uses it as a guide for deferments among reservists and national guardsmen.

Too few apprentices are being trained in "critical" occupations, says Labor Dept.'s Bureau of Apprenticeship. It wants industrial training programs stepped up sharply.

Pittsburgh newspapers didn't appear on the streets this week because AFL mailing room employees struck for higher pay. Papers had offered a 10¢ hourly raise.

Work injuries reversed a usual seasonal trend by showing a 4% gain in frequency during the second quarter. Probable causes: greater employment and longer work hours.

A state arbitration award of a \$2.50-a-week raise for New Jersey Bell Telephone employees was vetoed this week by the state supreme court. The court objected because factfinders didn't show whether their findings were based on "fact or speculation." The state board will reconsider the case.

Multi-employer bargaining was rebuffed in an NLRB decision last week. The board said 34 members of an employers' association violated T-H by firing employees after the employees' union struck a 35th member of the association. The board also upheld the union's "piecemeal" strike against one company only when joint bargaining broke down.

Excessive labor turnover isn't confined to large employers, if British experience is any guide. A survey of British companies shows that turnover gets proportionately smaller "as the size of the establishment increases."

BUSINESS IN MOTION

To our Colleagues in American Business ...

Because Revere salesmen and Technical Advisors call upon companies in practically every industry, they acquire a rather amazing fund of knowledge about many widely different products and processes. When no trade secrets are involved, knowledge thus acquired from one company often can be transmitted to another, with mutual benefit. Take the problem Revere found in the condensers of an East Coast electric utility. Cooling water comes from the harbor, with the result that the tubes quickly become coated with algae and other marine organisms, reducing the vacuum and hence increasing fuel consumption.

The utility is exceptionally well managed, and has a systematic program of tube cleaning. However, it was found difficult to clean the tubes effectively. Brushes and rubber plugs, pushed through the tubes, wore out rapidly, so that the operation was inefficient and costly. Though the condenser tubes were not made by Revere, we took an interest in this. A Revere customer makes special nylon-bristled brushes just for cleaning tube and pipe in dairies. The Technical Advisor suggested trying a slight modification of these. Results: over 300 tubes well cleaned per brush, a much longer life than anything previously used and a half-inch gain in vacuum, meaning dollars and cents saved in fuel.

There was another problem here, arising from the fact that the brushes are propelled through the tubes by an air-water pressure gun, operating at about 75 pounds per square inch. See illustration. Under that pressure a brush comes out of the far end of the tube like a projectile from a gun. It has to be stopped by something strong enough to take the shock, but

not hard enough to damage the brush. Canvas and plywood were tried, without satisfactory results as either target or brush was injured, or both. Revere suggested making a target of foam rubber, and not only that, found a source of supply of rubber of the right consistency. This combination works perfectly, and is in part responsible for the record of 300 tubes cleaned per brush.

The average person would not think that an electric generating station would find good uses for nylon



brushes, foam rubber, and plywood, but Revere through its contacts with many industries, was able to combine these three items into a practical solution to a particular problem. The electric company states that when next it buys condenser tubes, Revere will get the order. That, however, is not the point of this advertisement. The significant thing is that here we have an example of a supplier, Revere, recommending products other than its own, and acting as an advisor without fee. In the

course of our daily contacts we often note other suppliers of materials to industry doing much the same thing, so we claim no special virtue.

The purpose of this advertisement is to use an example to point up our recommendation that no matter what you buy, no matter what you make, you take your suppliers into your confidence. You can benefit not only from their knowledge of their industry and its products, but also acquire non-confidential information about other industries and products. Facts thus obtained may be of considerable value to you, yet cost nothing to obtain. All you have to do is ask.

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Founded by Paul Revere in 1801

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Executive Offices:

230 Park Avenue, New York 17, N. Y.

"What about Advertising Insurance?"

Account Exec: Advertising insurance? That's a new one on me, Jim.

Media Man: Well, Russ, maybe you've never heard it called by that name. But here's how it works:

We run ads that create prospects for the client's product...get them all set to buy. But do most prospects know WHERE the client's dealers are located in their community? You can bet they will if the client uses Trade Mark Service in the 'yellow pages' of telephone directories.

Account Exec: Oh, I'm beginning to see...

Media Man: Sure. The client simply displays his trade-mark or brand name in the 'yellow pages' over a list of his local dealers. Then you see to it that a line that reads something like "Look in the 'yellow pages' for one of our local dealers," appears in the ads. Get the tie-in? Prospects get real BUYING information. Instead of wandering around...falling for a substitute maybe...they make a bee line for one of the client's dealers. That's advertising insurance.

Account Exec: Say, you've really got something. I'm going to include Trade Mark Service in our presentation. And, Jim, do you mind if I borrow that phrase "advertising insurance?"



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MEDIA DEPARTM



For further information, call your local telephone business office or see the latest issue of Standard Rate and Data



INTERNATIONAL OUTLOOK

BUSINESS WEEK

OCTOBER 7, 1950



The Korean business is far from settled yet. In fact, Washington is much less optimistic this week than it was last.

There's a feeling now that Stalin may keep a guerrilla war going in Korea indefinitely. There's not the same confidence that the Chinese Communists will stay out, either. But Washington is holding out for a North Korean surrender, will have none of India's compromise tactics.

If American troops go north of the 38th parallel, there's a real risk that they will get bogged down in North Korea for many months.

On the other hand, what can MacArthur do but attack if he sees the North Koreans building up for another offensive?

It will be six months at least before Western Europe really converts its industry to war output.

Reason: The Atlantic Pact military men still haven't decided what kinds of equipment are needed. And no agreement has been reached on how firmly the Atlantic command, procurement, and finance should be integrated.

Rearmament will bring no major shift in ECA's investment program for Western Europe.

Top ECA officials already have reviewed the investment spending of the past two years. They figure ECA funds turn out to have gone in just the right places to put punch behind the defense effort—into basic industries such as power, transportation, steel, coal, and oil refineries.

That kind of spending will continue. The shift toward light industry, which had been scheduled for this fall, will be put off.

Watch, though, for two minor changes in ECA's investment program.

More money soon will go into transport and communications that have a defense angle—airfields, ports, telephones, wireless, and fleets of trucks and aircraft.

Colonial investment projects will be speeded up, too, because of their strategically safe location.

ECA officials in Europe are reaching for control of the economic side of U. S. military aid to Europe. Military production projects already are being screened by ECA officials. What's more, several key men who offered their resignations before Korea now have decided to stay on.

There's not much confidence, though, that ECA will go on as is. Some officials privately are betting that Congress next year will convert ECA into the economic arm of the Military Aid Program.

ECA has a big, three-cornered aluminum deal on the fire. All that's needed now is approval from Washington.

ECA would provide funds to develop Greek bauxite deposits. The bauxite would be shipped to West Germany for refining. Then the U. S. would get 30,000 to 60,000 tons of metal a year for its stockpile.

The hitch so far has been the high power costs at the German refinery (at Lunin, in the Ruhr). This would make the metal a cent or so a pound more expensive than the world price.

The right-versus-left fight in Britain's Labor party is more than a clash of personalities—Prime Minister Attlee against leftist Aneurin Bevan.

The real split is between the skilled and the unskilled workers in the

INTERNATIONAL OUTLOOK (Continued)

BUSINESS WEEK
OCTOBER 7, 1950

Labor party ranks. The first group wants Labor to go easy on private industry. The second group is all out for public welfare schemes.

Labor party leaders somehow have to satisfy the demands of both groups. Otherwise many of the skilled workers may bolt to the Conservatives and many of the unskilled to the Communists.

•
Attlee has another big problem—the growing weakness in his top team.

Foreign Minister Bevin and Chancellor Cripps are ill, will retire soon.

Attlee has a reserve team on the sidelines. Hugh Gaitskell is expected to be chancellor. (Gaitskell has been pinchhitting for Cripps since June, is due to come to Washington next week.) Sir Hartley Shawcross, who was British prosecutor at the Nuremberg trials, is slated to succeed Bevin.

But neither of these men carries much weight with the Labor party.

•
You can ignore rumors that the British Treasury is considering a higher value for the pound sterling.

True, London's gold reserves now stand at \$2.8-billion, or twice the total of Sept., 1949, when devaluation came. But remember this: Surplus dollar earnings of the sterling area accounted for only one quarter of the increase. The rest came from ECA and a Canadian credit.

The fact is, pound-dollar convertibility is likely to come before revaluation. And London will want \$5-billion to \$6-billion in the kitty before it makes the pound convertible even at today's rate—unless the International Monetary Fund steps in with a huge stabilization fund.

•
There's a new twist to Britain's sterling debt problem.

Australia, rather than India, now holds by far the biggest bloc of sterling balances. The current figure is £750-million, almost double what it was a year ago. That makes revaluation of the Australian pound less likely.

Meanwhile, India's balances have dropped below £600-million. And at least £400-million of this total are needed by New Delhi for currency reserves and short-term trading balances.

•
Washington financial experts are blue about the future of private U. S. investments abroad.

Since Korea, there's no more talk about U. S. business regularly investing \$1-billion a year overseas.

Two reasons are given for the lack of interest: (1) uncertain conditions abroad; (2) attractive investment opportunities in the U. S.

•
Investment guarantees haven't much appeal any more—even among Washington long-hairs.

The Administration had planned to set the Export-Import Bank up in the guarantee business. But neither private investors nor Congress went along.

As for ECA's guarantee program, it's turned out to be a complete fizzle. So far, only 22 industrial investments totaling \$22-million have been guaranteed. Originally, ECA set aside \$150-million for this job.

•
When it meets again in November, Congress may be asked for \$50-million to provide food for Yugoslavia.

The 1950 Yugoslav wheat crop is less than 50% of normal. The bread ration already has been cut 10%. If no outside help comes before spring, the State Dept. sees serious political trouble for Tito.

BUSINESS ABROAD

U.S. Buyers Scour Europe for Steel

High costs don't discourage rising tide of imports. Cement, alcohol, pig iron, and building materials also are coming in.

It wasn't so long ago that Western Europe was almost begging American industry to buy its goods. Today the shoe is on the other foot in a good many lines. American industry is trying to pry stuff loose from Western Europe. That's especially true of steel, but it also goes for cement and other building materials, certain chemicals, pig iron, bauxite, electric motors, and radio components. Normally, the U.S. imports few, if any, of these products from Western Europe.

• **Alcohol Deal**—Probably the biggest single deal in the works today is for 110-million gal. of French alcohol, worth about \$60-million. The alcohol is being bought for synthetic rubber production in the U.S. French motorists will be glad to see the U.S. get it. It's a byproduct of France's government-backed sugar beet industry and might have been forced on car owners as a substitute for gasoline.

• **July Figures**—Official trade figures still don't reflect the boom in U.S.-European trade that has developed since Korea. For example, steel imports in July, the latest month for which figures are available, totaled \$2.3-million. That was up from the monthly average for the first half of 1950, but not nearly as much as the August and September figures are sure to be.

Most of the steel is coming in the form of hot-rolled sheets and other flat products. And it is coming largely from Belgium, France, and West Germany, with a little from Britain and the Netherlands. Brokers and importers in New York or in Gulf or West Coast ports are handling the bulk of the business. There are no foreign salesmen around. Prices generally are higher than the U.S. price, sometimes by as much as 40%, though in many cases the fancy premium results from the fact that the order has passed through many hands, each taking a cut.

• **Reluctant to Talk**—According to one Midwest steel executive, "Everybody is doing it, or trying to." Most companies, however, don't want to talk about their steel buying in Europe. They don't want it known that they are paying premium prices for steel. If they



CATERPILLAR TRACTOR Co. gets first shipment of Ruhr steel

have found a pretty good source, they don't want anybody else to find it, too. And they feel that if and when allocations are imposed, it won't do them any good if it's known that they have been buying from other sources.

Caterpillar Tractor Co., though, makes no bones about the fact that it's buying 12,000 tons of steel from mills in Germany, France, and the Netherlands (picture, above). The first carload of this order reached Peoria last weekend. The purchase was made through a New York importer. And Caterpillar is in the market for more.

A Midwest farm-machinery maker has recently bought a sizable quantity of German hot-rolled steel through a New York broker. The price was \$111 a ton, which compares with a domestic price of about \$90 a ton. The firm says the quality of the steel is equal to the do-

mestic product and delivery is prompt. (The same company also has bought 2,200 tons of Austrian pig iron at a premium of \$4 to \$5 a ton.)

• **Direct Purchase**—Another farm machinery maker in the Midwest has been buying steel in small quantities from Britain. In this case, the contracts are handled direct with the British steel-maker. The only price differential is the cost of freight and the duty.

Last month several companies in the Niagara Falls region ordered \$800,000 worth of European steel. The orders ranged from \$11,000 to \$200,000. The biggest order went to a Belgium mill.

One steel importer, the Kurt Orban Co., has been handling a good part of the imports into the Cleveland, Indianapolis, and Detroit areas. In the past four months, Kurt Orban has sold about \$4-million worth of German steel,



Draft this—for profit

Men are being drafted. There are indications of coming labor shortages. How wise then to install 'Budgit' electric hoists for jobs on production, assembly or inspection lines, where lifting is a good part of the day's work. 'Budgits' save from some to many minutes an hour. That pays for the hoists—which keep on earning money through their long trouble-free lives. Workers like 'Budgits,' for they make the jobs much easier. They remove the danger of rupture, sprains and overtiredness. Automatically production increases at greatly lowered cost. No installation charges! Hang up, plug in and use. Electricity figures in pennies a day. Our nearest Distributor will gladly demonstrate 'Budgits' in your plant.

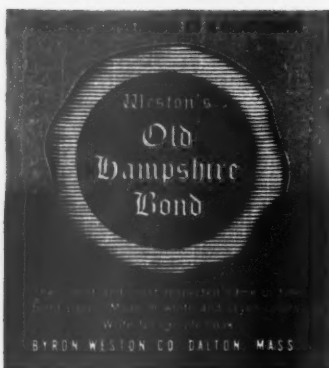
Made in sizes to lift 250, 500, 1000, 2000 and 4000 lbs. Prices start at \$119. Write for Bulletin No. 391.



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BUSINESS OPPORTUNITIES

offered or wanted, personnel, financing, equipment, etc., may be found in *Business Week's* clues

aluminum, and copper (about 90% of this has been steel). Kurt Orban represents an export group that constitutes about one third of the Ruhr steel industry. It sells only to American manufacturers, not to middlemen. Average size of orders placed is 150 to 200 tons, and the orders cover the waterfront—nails, structurals, sheets, plate, bars, wire rods, pipe tubing, boiler tubing, and even rails. Prices are very close to the domestic market and far below current gray market prices.

• **Eager Los Angeles**—Steel users in the Los Angeles area are especially keen on getting European steel. In fact, they were looking to Europe long before the Korean war started. Hardly a manufacturer in this area thinks he has been getting enough steel since World War II.

It's the companies who have been buying regularly abroad who are doing well now. For example, one heater manufacturer is getting 50% to 60% of his steel from Belgium. Currently he has 1,000 tons on order. But not every manufacturer is as lucky as this. One company sent a man to New York recently to negotiate by telephone. He spent \$1,000 in phone calls to Europe, came back with nothing to show for his efforts.

• **Wide Range**—Items of steel bought abroad by Los Angeles companies cover a wide range. A local broker recently bought 60,000 tons of plates in the Netherlands for a company in Houston, Tex. That order took care of the Dutch company's production for the remainder of the year.

One importer has bought cold-rolled steel to be made into door hinges. Steel has been bought also for TV antennas, wire rods for reinforcing concrete, etc. One importer estimates that nearly half of the nails used in Los Angeles are now bought abroad.

• **Won't Quote Prices**—The peak of steel imports may have been reached, however. Most European mills are withdrawing from the market for the remainder of the year. They are refusing to quote first-quarter 1951 deliveries, probably in the expectation of still higher prices.

There's a possibility, too, that European governments may put a ban on steel exports. (France has banned the export of scrap.) Flat-rolled products, which are in biggest demand here, are short in Europe also. The big ECA-backed rolling mills in Britain and France won't get into production for another one to three years.

• **Other Products**—American companies are buying other things as well as steel. Here are some examples:

A Midwest producer of home appliances recently bought 500 tons of aluminum ingots in Austria. The company worked through the New York agent

for a Swiss exporter. The premium above American prices on this deal was about \$60,000.

A leading Midwest producer of industrial machinery has been dickering for some special charcoal pig iron from Sweden. (This firm shies away from foreign steel because it says the quality isn't right and prices are higher than the gray market premium on domestic steel.)

• **Electric Motors**—A big Belgian company, Ateliers de Constructions Electriques de Charleroi, is trying to meet the big U.S. demand for electric motors. ACEC has redesigned both its electric motors and its dynamos to meet American specifications. The company will sell anything from locomotive motors to kitchen appliances. It has its own copper mine and plenty of copper wire.

Swiss makers of screw-machine products are out to sell the small metal parts used in machinery, motors, tools, radio and television equipment.

They have an advantage in being able to offer to supply the required metals. One of the big Swiss outfits—Sphinx-works, Muller & Co., Ltd., of Soleure—is now stepping up its production and also its sales efforts in the U.S.

East Coast cities are turning to Europe for cement. A ship loaded with 9,000 tons recently reached Philadelphia from an English port. North Carolina and Florida have been buying cement from both Germany and Britain. The British have been getting U.S. orders for plasterboard, cast-iron pipe, and asbestos roofing.

BUSINESS ABROAD BRIEFS

Drug business is good in Argentina. Sharp & Dohme, Inc., has doubled its manufacturing, warehouse, and office space with a new plant in Buenos Aires. The plant is designed for further expansion.

• **Now the Russians want to sell** us glycerin—1,000 tons of it for October delivery. No one knows why—it's a strategic war material, needed in explosives, films, medicines (BW—Sep.30'50,p122).

• **South Africa's gold mines** need more hired hands, and are recruiting busily in Europe. Allied authorities in Germany have O.K'd emigration of 400 West German youths to Africa; they'll be allowed to settle there permanently.

• **Powder metallurgy**—still a baby at home—is getting a foothold in Europe (BW—Jul.1'50,p38). Robert Talmage, New Canaan, Conn., has gone to France to install a powder-metal parts plant. ECA is picking up the tab.



Visitors' waiting room at the John Morrell & Co. offices, Ottumwa, Iowa.
Architect: Dane Morgan, Morgan-Gelatt & Associates, Burlington, Iowa.

TO CUT COSTS, THEY USED *Thermopane*

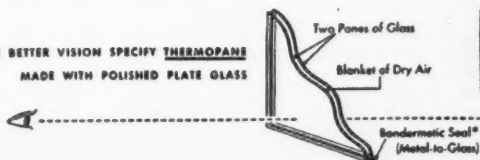
This reception room is commercial space, designed for comfort. The wall of windows is made of *Thermopane** insulating glass because *Thermopane* reduces the cost of both air conditioning and heating.

Thermopane does this by combining the advantages of a window with those of an insulated wall. When made of two panes of glass with a $\frac{1}{2}$ " dry air space sealed between, it has the insulating value of a solid, ten-inch brick and concrete wall. Therefore, even in winter, people can comfortably sit close to the glass. *Thermopane* brings the comfort-

zone nearer the windows. No chilliness or drafts.

Another point to remember: when walls are *Thermopane*, costs of exterior masonry, furring, interior plaster and paint are eliminated. On a square foot basis, you'll find *Thermopane* an economical wall to build. No matter what type building you are interested in—office, factory, school or hospital—the advantages of *Thermopane* justify thorough consideration. Don't overlook all the benefits of an insulated wall you can see through! Write for our latest *Thermopane* literature. *®

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MADE WITH POLISHED PLATE GLASS



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FOR LESS



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MANAGEMENT MEN

ECA Aids Patent Swap

Small Business Section in Paris sets up clearinghouse for licensing patents and processes between U. S. and European manufacturers. Scotland, Ireland, and Italy show most interest so far.

PARIS—Foreign trade can be invisible, as well as visible. And ECA is just as interested in promoting the invisible side of trade with Marshall Plan nations as it is the visible.

One of the handier forms of invisible trade is the exchange—for a price—of patent licenses and production information. Many U. S. companies have found that the sale of patent rights to a European manufacturer is a painless form of export. The one difficulty is in finding the right buyers.

To make the market easier to reach, ECA's Small Business Section in Paris has set up a clearinghouse for licensing patents between U. S. and European companies.

• **Two-Way Traffic**—The clearinghouse will help U. S. businessmen reach European markets by putting them in contact with reliable European manufacturers who are ready and able to make the goods on the spot. It will also work the other way, making it possible for

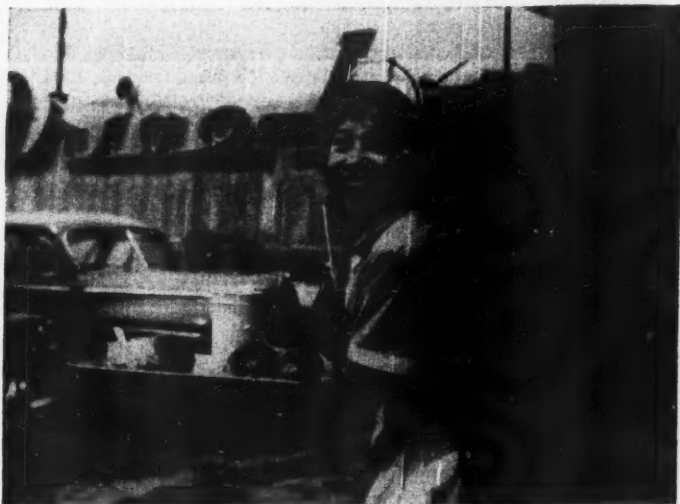
Europeans to license their products for manufacture in the U. S.

The licensees could pay for the patents and techniques with royalties, stock in their companies, or both. U. S. companies will be able to get their license fees in dollars, too. The 1950 foreign-aid bill guarantees conversion into dollars of any foreign currency earned by licensing intangibles such as patents and procedures in ERP countries.

• **Sparkplug**—Sparkplugging the clearinghouse idea is Bert H. White, a hard-driving Buffalo banker who runs ECA's Small Business office in Paris. He hopes to have the clearinghouse swapping information at full speed by yearend. Here's what he hopes it will accomplish:

• Help Europeans scale the U. S. tariff wall by exporting patents and processes instead of goods.

• Spur economic expansion on both sides of the Atlantic. Large-scale licensing could swell the number of



The Smile Is Pure Tokyo; the Service Is U. S. A.

Tokyo's first drive-in—probably the first in all Asia—is a howling success. Since opening day early this year, its sales have been topping 1-million yen (about \$2,780) daily. A corps of 50 carhops—picked for their big smiles, looks, efficiency—are dispensing Cokes, hamburgers, and hot dogs to more than 5,000 visitors each day, mostly

foreign nationals driving around Tokyo at lunch hour. The pioneer drive-in was built entirely with Japanese capital, some 15-million yen (\$41,700). The sponsors are planning to branch out to other cities. Their only problem: What happens when and if the occupation ends, and with it the demand for Cokes and hamburgers?

new products and techniques, create new demand and boost employment.

• Give small- to medium-sized businessmen more transatlantic trade.

Creating foreign subsidiaries is one road to economic expansion. Since the war, many large U.S. companies have set up shop abroad; and some Europeans have even come to the U.S. But for the smaller operators—without full-time export departments and personnel trained in international business—licensing partnerships have some big advantages over direct subsidiaries.

For the U.S. partner to a licensing agreement is spared the political, fiscal, labor, and sales headaches of manufacturing abroad. And licensing does not require heavy capital investment; it can mean tidy profits quickly.

• Machinery—Here's how ECA's clearinghouse will work:

ECA will sound out interested U.S. businessmen through its nationwide network of field counselors. This consists of nearly 600 bankers, brokers, Chamber of Commerce officials, and leading businessmen. Originally, their job was to help small businesses in their area get a fair chunk of the ERP orders. So they're ideally located to handle the licensing program—they know local manufacturers, can judge who might want to export patents or skills rather than finished goods.

So far, the field counselors sent Washington nearly 150 inquiries from businessmen interested in licensing.

Meantime, ECA officials in Europe are laying down a similar information network, contacting European manufacturers who want to make U.S. goods under license, or license their designs in the U.S. European field counselors will pass on information to their respective ECA mission, which will funnel it into ECA European headquarters in Paris. ECA Paris will handle the liaison with the U.S. From there on, it will be up to the businessmen themselves to close the deal on their own, with ECA stepping out of the picture.

• In a Hurry—ECA officials report that European businessmen are scrambling for rights to U.S.-type consumer goods.

Scotland is leading the pack so far. The Scottish Council—Scotland's version of the NAM—has plumped the program in newspapers and on the radio, urging businesses to get their bids for licenses in early. Evidently canny Scots find it a good deal: Replies are pouring in.

The government, and the banks, have taken the lead in pushing the program in Italy. ECA people expect the interest in licensing to be greater in Italy than in any other ERP country once the program hits full stride. The reason: Italy's brimful unemployment provides strong incentive for development of new industries.

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GLIDEMASTER**

**No. 624N
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BUSINESS WEEK

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(Advertisement)

45 Specialists Present New Reading Course in Executive Technique

An interesting new booklet offered free to men and women who want to acquire a mastery of modern business management is really an introduction to the famous "Reading Course in Executive Technique." This free booklet explains the purpose of the course and its organization and lists the forty-five nationally known specialists who have written it.

According to the publishers, this course, prepared under the general editorship of Carl Heyel, presents a thorough coverage of the principles of modern executive technique as worked out by the executives of leading firms in scores of different industries. The methods, forms and records actually tested

and proved in large and small companies are presented for study and adaptation.

One commentator on the course said, "The kind of information given in this course will put any man in line for promotion—will give any man an edge on competition."

To acquaint more men and women with the advantages of improving their understanding of modern business management, the publishers, Funk & Wagnalls Company, will send the new booklet about the "Reading Course in Executive Technique" to anyone who requests it. The address is Funk & Wagnalls Company, Dept. BW-102, 153 East 24th St., N. Y. 10, N. Y. A penny postcard will do. There is no charge for the booklet.

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Canada's \$ Soars

Unpegged, it jumps almost 5¢ in few days. Hope seen that Ottawa will soon lift remaining import and currency restrictions.

OTTAWA—This week, for the first time in 11 years, supply and demand is setting the exchange rate of the Canadian dollar. The St. Laurent government unpegged the dollar last weekend. A day or two later it was being quoted in New York at 95.5¢—a jump of almost five cents from the pegged rate of 90.9¢.

• **Import Curbs—Canada** has promised to lift part of its thorough-going set of import restrictions on U. S. goods. Now the unpegging of the dollar has aroused some hope that all these may soon be lifted, along with remaining currency controls.

A rush of U. S. funds into Canada precipitated Ottawa's action on the dollar. During a period of one month just prior to the move, Canada's Foreign Exchange Board had netted about \$300-million in U. S. funds. This was mostly speculative money going into Canadian bonds in anticipation of revaluation. Canada's dollar position had improved so much over the past eight months that U. S. money figured a higher rate of exchange was inevitable soon.

• **Disadvantages—From Canada's angle** the influx of U. S. funds was a mixed blessing. True, it boosted the gold reserves. But it also threatened to increase the immediate inflationary pressure in Canada, which was already considerable as a result of the Korean war. According to Finance Minister Abbott, the influx of U. S. money had another disadvantage: It added to Canada's foreign debt, and hence to the annual service charges, without bringing any increase in Canada's productive capacity.

The Canadian government saw that U. S. money was bound to keep pouring in. Toward the end of September, Canadian gold and dollar reserves had climbed to over \$1.7-billion. Announcement of this figure—due in early October—was sure to set off further speculative buying as long as the dollar remained pegged at 90.9¢.

• **Ups and Downs—The history of the Canadian exchange rate since 1939** has been one of ups and downs. At the start of World War II, Canada set up exchange controls and pegged the dollar at 90¢. The dollar was held at that rate until July, 1946, when it was boosted to parity with the American dollar. But in September, 1949, when the pound sterling was devalued, the

rate was cut back again, this time to 90.94.

During the three-year period of parity, Canada passed through its so-called "U.S. dollar crisis." The balance of trade ran heavily against Canada—so heavily that exchange reserves dropped from almost \$1.7-billion in May, 1946, to less than \$500-million at the end of 1947. It was at that time that Ottawa slapped on stiff import restrictions against U.S. goods.

• **Bars Dropped**—As Canada's reserve position improved, some of the import controls were relaxed. Things looked so good this summer that it was announced more restrictions would come off Oct. 1. In merchandise trade alone, Canada very nearly achieved a balance with the U.S. during the first eight months of 1950. Imports from the U.S. exceeded exports to the U.S. by only \$110-million, whereas the deficit during the first nine months of 1949 had been \$402-million. With the trade gap this small, most of the U.S. dollars being invested in Canada went to swell Canada's gold reserves.

• **Hand Forced**—Apparently Ottawa's original plan was to get rid of import restrictions by stages and then revalue the dollar upward. However, the intervention of U.S. investors and speculators seems to have forced the government's hand.

Now Ottawa's plan is to drop the remaining restrictions on the import of consumer goods from the U.S. on Jan. 1, 1951. Affected will be clothing and finished textiles, canned goods, comic and pulp magazines, refrigerators, stoves, and other household appliances. That will still leave controls over imports of a wide range of capital and hard goods, including autos and auto parts. But there will be an early review of these with the idea of dropping controls as soon as possible.

New Burroughs Plant

Burroughs Adding Machine Co. this week added another chapter to its 52 years' experience doing business abroad. The company opened a spanking new factory at Strathleven, Scotland.

Burroughs is expanding its United Kingdom facilities in order to keep pace with booming sales in soft-currency markets. The first step was to modernize its plant at Nottingham, where Burroughs has been since 1898. Now, with the Scottish plant, Burroughs can turn out a complete line in the U.K.—from the smallest hand-operated adding machines to big, complex accounting equipment.

The Strathleven factory is an integrated manufacturing operation—from raw materials to finished parts. It covers 150,000 sq. ft. of floor space, will employ 1,000 persons.

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A Counterpoise for John L.

It is hardly unprecedented news that a group of coal operators have formed a new organization to deal with John L. Lewis. Comparable efforts have been launched before, only to founder. Somehow they could never survive either the whirlpools of industry dissension or the rock of Lewis' stubbornness.

In the past, the industry has wavered between feeble efforts to organize itself for effective collective bargaining and blasts against industrywide bargaining. Lewis made much of those opportunities.

Birth of the new Bituminous Coal Operators Assn. does not necessarily mean the end of Lewis' commanding position over coal. But it does appear to be mobilizing forces within the industry which can challenge what has hitherto been an almost unchecked exercise of power.

It is significant that BCOA begins with the adherence of the big operators in the Pennsylvania-West Virginia-Ohio coal heartland; that it includes the captive mines owned by steel, railroad, and utility companies. But more significant as an augury of real achievement is the person of its chief executive. Harry M. Moses' strength rests primarily on the force of his personality, on his quick but rugged mind, and his earnest belief that if only a comparatively few people really work together coal does not have to be a sick industry.

What the Moses organization hopes to do, obviously, is engage in some effective industrywide collective bargaining. A principled position against industrywide bargaining makes little practical sense as long as the UMW spreadeagles the mines. Contrary to popular belief, Lewis' great victories have not come out of industrywide bargaining. They came out of his ability to exploit divisions within the industry and play one section off against another. On those few occasions when the industry was able to create and hold a solid front against UMW demands, Lewis was blocked.

Opposition to industrywide bargaining rests in large part on opposition to industrywide unionism. It is maintained that no labor organization should have the power to shut down a whole industry if its terms are not met. But certainly the highhanded exercise of power thereby implied does not find any more justification by being applied to a part of an industry, rather than the whole, or even to a single employer. A "take this or we strike" stand is repugnant to public policy, however wide or narrow the area in which it is used.

Another attack on industrywide bargaining centers on the practice which has a committee of employers and a committee of union leaders making economic decisions which affect an entire industry. Especially deplored is the fact that agreements which result may be at the expense of the public, which is without representation at the negotiations. Yet this, too, is not an attribute unique to industrywide negotiating. In its essence, collective bargaining is exclusively a two-party,

labor-employer affair. If it is bad, it is bad on both a small and large scale; what evil effect it may have decreases, but undergoes no qualitative change, by being confined to smaller areas.

Arguments against industrywide bargaining will not deter BCOA from attempting to draw into its ranks all the nation's soft-coal producers. It still represents substantially less than all the tonnage. Important Illinois and Indiana producers, western mines, and the bulk of the southern coal properties have not yet joined. Significantly, it is in these groups that Lewis has frequently found the "give" with which to make a deal that becomes a lever for shifting the rest of the industry.

Antipathy to industrywide bargaining has not prevented employers in a great variety of industries, all of whom have a vital interest in coal prices and continuous coal supplies, from wishing Moses well. Their hopes that Congress, that laws, or that the Administration might really solve the "Lewis problem" have been dashed too often.

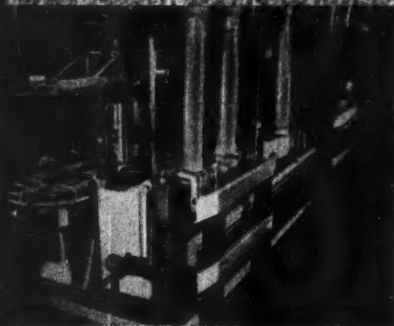
BCOA has made it clear that it is not a union-busting organization. It has, in fact, shown no evidence of being quixotic. Its aspirations are practical, limited, and desperately important. It wants to bespeak the interests of mine operators and of a basic industry with enough determined solidarity to introduce a measure of give and take between UMW and the coal business. If it can do that, it will be doing a great deal—more, in fact, than the industry has been able to do for 15 long years.

Good Omen for ECA

Those who think that the personality makes the job will do well to consider what omens lie in the appointment of William C. Foster as head of ECA. He is one of those few men in government service who have shown ability and willingness to stop a job and close an office as skillfully as they can get one going.

During the latter part of World War II, he was head of purchases for the Army under General Clay—a department offering great possibilities for a lifetime career. When the war ended he had two choices: (1) He could have resigned at once and left to someone else the disagreeable task of winding up, or (2) he could have tapered off slowly in order to give himself plenty of time to dig in for the future. He did neither. Instead, he wound up the loose ends of the purchasing job with the same speed and skill he had shown in directing it. In a town like Washington, more famous for the building of private empires within the government than for their wrecking, that deed won him startled looks and golden opinions.

This is not to suggest that the ECA, of which he is now head, is about to fold up. But when it does, Foster is the man who can fold it effectively.



The first of these is the fact that the
 majority of the population of the
 United States is now living in
 urban areas. This is a result of
 the process of urbanization, which
 has been going on since the
 Industrial Revolution. The second
 factor is the fact that the majority
 of the population of the United
 States is now living in the
 Eastern half of the country. This
 is a result of the process of
 migration, which has been going
 on since the early days of the
 country. The third factor is the
 fact that the majority of the
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 is now living in the middle class.
 This is a result of the process of
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MANY INDUSTRIES PROFIT MANY WAYS

Chemistry is an expanding source of profit to all industries. More and more manufacturers rely on Monsanto's more than 400 chemicals and plastics—use them in many phases of their over-all operations to improve products, lower production costs, increase sales. Investigate the possibilities in your business.



COME AND GET IT

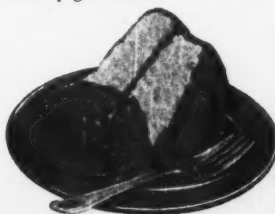
Nobody turns a deaf ear to a dinner bell. Everybody knows it means food. But—not everybody realizes how much the food industry does to make America's dinner bell mean that this country is the best-fed and best-nourished in the world . . . To this accomplishment in food, Monsanto chemicals contribute much. Their use by the food industry covers a wide scope—insures better harvests, greater beef and dairy yields, improved processing, higher sanitation, lowered costs, increased sales appeal.



fruits, vegetables, grains

One of the most potent Monsanto insecticidal chemicals for increasing wheat, apple and citrus fruit yields is Niran®—Monsanto's parathion. It is very toxic; must be formulated, handled and applied with great care . . . Nifos®-T, another Monsanto insecticidal chemical, is used in formulations for the effective

control of aphids and mites that attack vegetables and fruits. It is very powerful in weak solutions—has negligible residual toxicity . . . Santobane®—Monsanto's DDT—is widely used in formulations to stop corn borers . . . Larger crop yields result from applications of 2,4-D formulations to weedy grain fields.



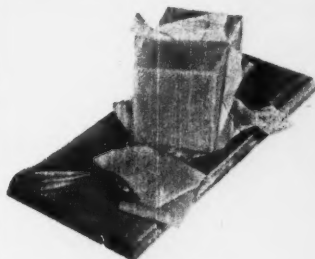
Ice cream, cake, confections

Many foods derive much of their tempting taste from Monsanto products. Fluffier, lighter cakes result when cake flours contain Monsanto phosphates. The richer flavors of icing and ice cream are contributed by Ethavan®—Monsanto's vanilla-like flavoring principle used by extract manufacturers. Vanillin is another Monsanto flavor principle. So is methyl salicylate, with its wintergreen flavor.



pancakes, doughnuts, muffins

Uniformity in prepared flour mixes is assured by the use of Monsanto acid leavening phosphates. Pancakes, for instance, are always tender and crisp—the last batch is just like the first. Self-rising flours are also improved by the use of Monsanto phosphates—they contribute nourishment in addition to better baking properties. Phosphoric acid is still another Monsanto food-use product.



cheese, dairy products

Cheese processors use Monsanto phosphates as emulsifiers . . . Another Monsanto product, used by formulators of dairy cleaning compounds, is Santomerse® No. 1. It is a detergent with powerful cleaning and free-rinsing action; promotes sanitation.

more information

Manufacturers of foods and food products are invited to contact Monsanto for more information on products that will help them in any phase of their operations. Check and return the coupon, or write Monsanto Chemical Company, 1724 South Second Street, St. Louis 4, Missouri. In Canada: Monsanto (Canada) Limited, Montreal and Vancouver.

Reg. U. S. Pat. Off.



Serving Industry...Which Serves Man

SPECIAL TO THE FOOD INDUSTRY

If you are interested in any phase of food production, processing or sales, you are invited to check any of the following products on which you would like added information:

- ☐ Niran for insecticidal formulations . . . ☐ Nifos-T for insecticidal formulations . . . ☐ Santobane for corn-borer control formulations . . . ☐ 2,4-D for weed-control formulations . . . ☐ Ethavan . . . ☐ Vanillin . . . ☐ Phosphate products for the food industry . . . ☐ Santomerse No. 1 for compounding detergents.

MONSANTO CHEMICAL COMPANY

1724 South Second Street, St. Louis 4, Missouri

Please send information on products checked at the left for use in _____

Name _____ Title _____

Company _____

Address _____

City _____ State _____